THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

November 11, 1939

The Diplomatic Struggle in the Far East

An Editorial

Japanese Trade in China

BY JOHN AHLERS

Story of Pacific Aviation

War Effects on S'hai Trade

BY JULIUS R. KAIM

U. S. Moves to Readjust its Activities Under New Neutrality Law

VOLUME 90 PRICE 50 CENTS NUMBER 11

90-419

HONGKONG SHANGHAI TIENTSIN

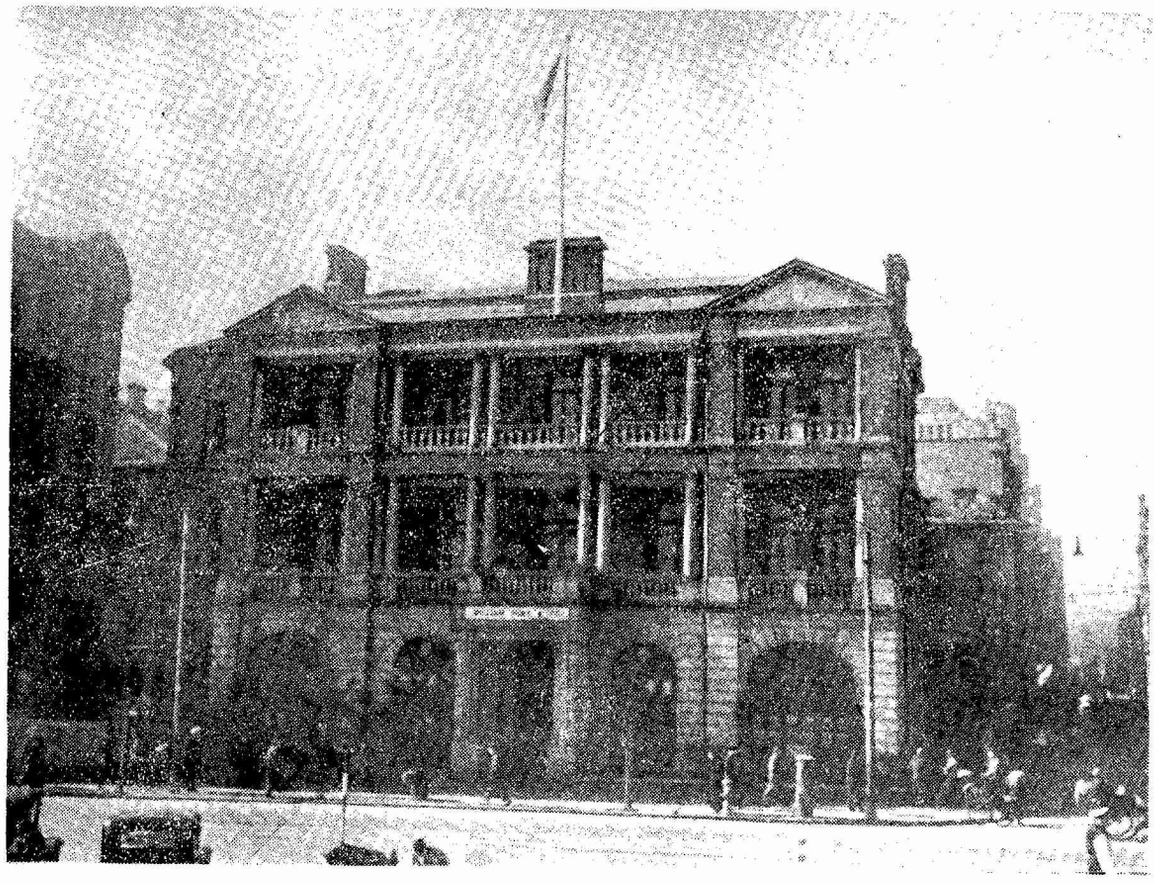
CANTON SWATOW FOOCHOW CHANGSHA HANKOW

CHUNGKING KUNMING ICHANG WENCHOW NINGPO

WILLIAM HUNT & COMPANY

General Managers

for



HUNT STEAMSHIP CORPORATION

HUNT ENGINEERING CORPORATION

CHINA FOREIGN ASSURANCE CORPORATION

CHINA FOREIGN TRADE CORPORATION

NANYANG BROTHERS TOBACCO CO., INC.

WATSON'S MINERAL WATER CO., INC.

CHINA CORPORATION

WASHINGTON LONDON

90-420

You Read ... You Enjoyed ...
You Loved the COMICS!

Now You Can Have Them In Book Form!

Here's A New Member of THE CHINA PRESS Family...

The China Press

Comics Magazine

containing 4 serial comic strips and the famous Flapper Fanny caricatures.....

ALLEY OOP.....*By Hamlin*
MUTT and JEFF.....*By Bud Fisher*
WASH TUBBS.....*By Roy Crane*
RED RYDER.....*By Fred Harman*
Plus FLAPPER FANNY.....*By Sylvia*

40—PAGES—40

Forty Cents Per Copy

On Sale at all Leading Book Stores or from the publishers

The China Press

160 Avenue Edward VII - - - Telephone 15426

Telephone Orders Taken

If you are SATISFIED

with

The China Critic

(中國評論週報)

WHY NOT GIVE YOUR RELATIVES AND FRIENDS

THE SAME SATISFACTION?

BE A "CRITIC BOOSTER"!

Subscribe Now! - - - - - Do It yourself!

"Subscribe to the Critic" - - Pass the word!

Subscription Rates for one year

(Including Postage)

China..... C.$10.00

Other Countries..... G.$5.00

THE CHINA CRITIC

(中國評論週報)

桂中樞 C. S. Kwei, *Editor* | 朱少屏 P. K. Chu, *Business Manager*

191 Carter Road, Shanghai, China Telephone 31164

ANCHORS AWEIGH!

FOR THE FAR CORNERS OF THE WORLD - - -

World-wide service, frequency and regularity of sailings, luxurious comfort, excellence of cuisine - - - all combine to create that standard which is known to world travellers as "President Liner Service."

AMERICAN PRESIDENT LINES

"ROUND-WORLD SERVICE"

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

90-422

What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

WAR AND PEACE

To the Editor:

History tells us that there is no war without a conclusion of peace. The Hundred Years' War ended in peace. Even a war of annihilation like that between Great Britain and Germany in the Great War, also ended in peace. Time has not infrequently made enemies of friends and friends of enemies. There is no reason why the Sino-Japanese war cannot be brought to a close, but how and when there will peace, is a question of interest.

During the past two years, the Japanese have won one batttle after the other and occupied one city after the other, but the war goes on. In the Great War, General Ludendorff, on each offensive, told his troops that it would be the last, after which a victorious peace would be concluded. Likewise, Japan's High Command, upon launching an attack on an important Chinese city or a strategic post, told the soldiers that the fall of the city in question might mean the collapse of the Chinese army. The city did fall but the war did not come to an end. Japanese statesmen and leaders of various walks of life and even the militarists know well that Japan has been bogged in the mire of China. With a view to breaking her deadlock in China, Japan throws out, time and again, feelers for peace.

Japan, as H. G. Wells said, had "most of the fun and little of the bitterness" of the Great War. Following the outbreak of the European War, Japanese authorities, it seems, are in a dilemma: to carry on the war against China with little or no prospect of a victorious peace, or to sign an armistice with China and thus to profit by the European War. This may be another reason for Japan's throwing out peace feelers.

As a pacifist nation, China clings fondly to peace but she will not have peace at any price. The minimum peace terms, as opined by a majority of Chinese, are: (1) Japan's abandonment of her aggressive policy toward China; (2) reversion to the status quo of 7th July, 1937; and (3) evacuation of Japanese troops from China.

Even if Japan could act freely in China without the interference of a third Power, she would find that the conquest of China was an impossibility. As consequence of an understanding reached with Soviet Russia, Japan can despatch her troops from Manchuria to North and West China, but the despatch of new troops cannot speedily bring the war to a conclusion. Chinese are harassing Japanese by guerrilla tactics and they avoid frontal clashes. It will take a great deal of time and a number of men to mop up all the Chinese guerrilla units. Japan can now send more airplanes to China for bombing. The aerial activities, however, can only destroy houses or kill civilians, but can by no means bring China to her knees.

CHEN FU-SHENG

Changchow, Oct. 29, 1939.

THE PEACE RUMORS

To the Editor:

Recently there has been a baseless rumor that Britain and America would act as mediators in the Sino-Japanese conflict. It was doubtless circulated by Japan, which desires to copy the example set by Germany, for Hitler tried unsuccessfully to induce President Roosevelt to mediate in the European war.

One may assume that Japan, because of her recent defeats by Chinese troops on the Hunan front, is playing for time in which to bring up reinforcements for a counter-attack. Or, being unable to continue the war any longer, Japan may be really desirous of peace.

Whatever the explanation may be, China will keep on fighting until Japanese troops are withdrawn from Chinese soil. Until this is done we will not accept any mediation by a third power.

We believe the peace-loving powers are our best friends. If they wish to see peace in China again, the best thing they can do will be to take effective steps—even including armed intervention—to force Japan to remove her troops from China.

MU WEN-FU

Kunming, Oct. 29, 1939

SECRET NEGOTIATIONS

To the Editor:

The public of Shanghai is periodically informed that negotiations are in progress between the "Ta Tao" authorities and the S.M.C. regarding administrative rights in the extra-Settlement roads area in the Western District. Recently we were told that the S.M.C. had made formal proposals to the local puppet regime. Why are the ratepayers not told what these proposals are? Surely this is a matter of vital interest, not only to the pivot boys of the S.M.C. but to all the city's residents. Then why the secret diplomacy?

Meanwhile the crime situation in the Western District goes from bad to worse and nothing is being done about it. The Neros of the International Settlement seem to be busy fiddling while their Rome is burning.

SHOWDOWN

Shanghai, Nov. 7, 1939

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, *Editor and Publisher*

C. FRANK GLASS, *Assistant Editor* HOH CHIH-HSIANG, *Editorial Dept.*

F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

Index for November 11, 1939

Editorial Paragraphs

American Interest in Chinese Art; Dr. Ferguson's New Book .. 381
U. S. Moves to Readjust Its Activities Under New Neutrality Law 383
Diplomatic Struggle in the Far East Affords Japan a Temporary Advantage 388
New Peace Mediation Effort Looms as European War Threatens to Spread to Scandinavia 391
American Writer Shows How Britain Failed to Aid Poland 392
Polish Population Destitute, Men Forced to Work for Nazis .. 393

Special Articles

How the Japanese Have Increased Their Share of Shanghai's Import Trade ..... *By John Ahlers* 386
Effects of the European War on Shanghai's Trade and Commerce ..... *By Julius R. Kaim* 395
The History and Status of Trans-Pacific Aviation 397
Nippon Reports on Chinese Disunity Seen as Cover For Active Separatist Intrigues 400

Departments

What People Are Saying 379
Outstanding Events in the Sino-Japanese War 411
Who's Who in China 413
Men and Events 414
New Books of Interest in the Far East 417

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWENTY TWO DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. ADD $3.00 TO COVER EXTRA POSTAGE TO HONGKONG. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY, REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917. BY AIR-MAIL—TO CHUNGKING AND ELSEWHERE IN WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE IS $38.00 A YEAR OR $20.00 FOR A HALF-YEAR.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS." COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES. COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

ALL EDITORIAL, TEXT AND OTHER MATERIAL IN THE WEEKLY ISSUES OF THE CHINA WEEKLY REVIEW IS COPYRIGHTED UNDER CERTIFICATE OF REGISTRATION NO. 9953 ISSUED BY THE MINISTRY OF INTERIOR OF THE NATIONAL GOVERNMENT OF THE REPUBLIC OF CHINA.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, November 8, 1939

Demand selling rate on New York: U.S.$1.00—Sh.$12.03

Demand selling rate on New York: U.S.$1.00—Sh.$11.94

Demand selling rate on London: £1.0.0—Sh.$47.11

Demand buying rate on London: £1.0.0—Sh.$46.54

A.B.C. PRESS, SHANGHAI

Printing
in all its Branches

Your work
should bear
our imprint

SUBSCRIPTION COUPON

(In China)

Send The China Weekly Review For

☐ One Year (52 issues) at $22
☐ Two Years (104 issues) at $42
☐ Half Year (26 issues) at $12

(Two one year subscriptions to different individuals may be sent at the two year rate of $42)

TO

NAME _____

ADDRESS _____

_____

*

NAME _____

ADDRESS _____

_____

*

And Send Bill To

NAME _____

ADDRESS _____

_____

Mail This Coupon to
The China Weekly Review
160 Avenue Edward VII, Shanghai
China

TYPEWRITERS, AUTOMOBILES Bought, Sold, Rented, Repaired & Rebuilt, HERMES BABY Dealers, Bartlett Yung Co., 132 Kiangse Road, Tel. 11875, Garage End of lane 749 Yu Yuen Road, Tel. 20349.

China's Best

美麗牌香烟

My Dear

CIGARETTES

A leading product of
HWA CHING
TOBACCO CO., LTD.

SOLD
EVERYWHERE

90-424

THE CHINA WEEKLY REVIEW
密勒氏評論報
中華郵政特准掛號認爲新聞紙類
Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China
Vol. 90 Shanghai, Saturday, Nov. 11, 1939 No. 11

AMERICAN INTEREST IN CHINESE ART; DR. FERGUSON'S NEW BOOK

OF the many links between China and the United States none is stronger than the cultural tie which connects American interest with the artistic development of ancient and modern China.

Henry Austin Dobson, English poet and man of letters wrote: "All passes. Art alone enduring stays with us; The bust out-lasts the throne—The coin, Tiberius."

The quotation appears on the title page of Dr. Ferguson's new book and is timely in view of developments now taking place in this country which not only affect its art and cultural development, but the mutually advantageous relationship which has existed for many years between cultural China and the West.

There must be a large number of students of Chinese art and culture over the world who wonder what the future has in store for those who have specialized for many years in studies and research concerned with China's civilization of the ancient past.

Dr. Carl Whiting Bishop of the Freer Gallery of Art of the Smithsonian Institute, Washington, D. C., who wrote the introduction to another recent and notable study of China's ancient art and handicraft, Prof. Herrlee Glessner Creel's "Birth of China," pointed out that one of the world's foci of prehistoric culture exists in the basin of the Huang Ho or Yellow River. The other, better known, is in the wide region between the Indus and the Nile.

Thanks to Prof. Creel's excavations at Anyang, capital of the Shang Dynasty (1730 to 1155 B.C.) and described in his popular book, the world knows something about this region which is now overrun by the soldiers of a neighboring state which, up to the present, has given little evidence of interest in China, other than as an object of oppression and exploitation and a source of plunder.

Aside from a small expedition from the Danish Geographical Academy which spent some time in Suiyuan Province early this year, no important occidental group has visited any of the so-called "occupied" regions of China since the beginning of the Japanese invasion. The Manchurian provinces and Inner Mongolia, once fertile fields of exploration, have been closed, practically since the Japanese occupation of Mukden in the fall of 1931. Based on what has already happened, the occidental world of culture may rest assured that an aggressor who has marked out his spheres of control of Chinese resources from railways and cotton mills to silk and eggs, has not overlooked the control and exploitation of China's treasures of the ancient past, as well as those of the present. One might well vision a gang of impressed Chinese laborers working under Japanese armed guards engaged in excavating a Shang tomb!

Foreigners who were present in such cities as Soochow and Hangchow at the time of the Japanese military occupation, told of long trains of Japanese army trucks loaded with the plunder of those cities—priceless bronzes, porcelains, pictures and tapestries, dumped indiscriminately with the iron pots and other household-farmyard utensils—on their way to the docks where the cargoes were loaded on army transports destined for Japan. A report from Kinhwa, Chekiang last February stated that practically all of the historical relics of Hangchow and the West Lake district had been removed by the Japanese military authorities and shipped to Japan. Among the relics was an ancient inscribed copper bell, cast in the period of the Mings (1368-1643 A.D.) which was said to have weighed more than three tons.

The Japanese were exceedingly well informed on the subject of Chinese historical art and knew exactly where to find the most valuable specimens. According to a report from foreign sources many of these rare objects are now to be found in the private collections of Japanese millionaires who stood in well with the Army, the Special Service Sections of which made a business of collecting articles of historical and artistic value.

To those well-wishers of China who are concerned at the Japanese seizure of Chinese resources and the military exploitation of the Chinese people in the game of power politics, should be added the scholars and scientists of the west who are even more deeply concerned at the plundering of China's treasures of art and culture, and of the closing of this rich field to the students and archaeologists whose researches were enriching the entire world.

***

The foregoing paragraphs were inspired by a cursory inspection of Dr. John C. Ferguson's "Survey of Chinese Art," just published by the Commercial Press of Shanghai. It is probably the most complete and authoritative work on the subject to be issued in recent years and its timely appearance is certain to arouse wide interest in the subject of Chinese art, for reasons concerned with the subject itself, and for other reasons suggested in the preceding paragraphs.

That the Commercial Press, premier Chinese printing establishment, should be able to produce such a fine example of the printing and illustrative art in this time of crisis is not only remarkable, but an astonishing example of Chinese ability not only to survive, but to revive under conditions which most normal individuals of other races would regard as insuperable. Twice within the brief period of seven years the extensive workshops and plant of the Commercial Press, located in the Chapei section, were bombed and looted as a result of the Japanese invasion.

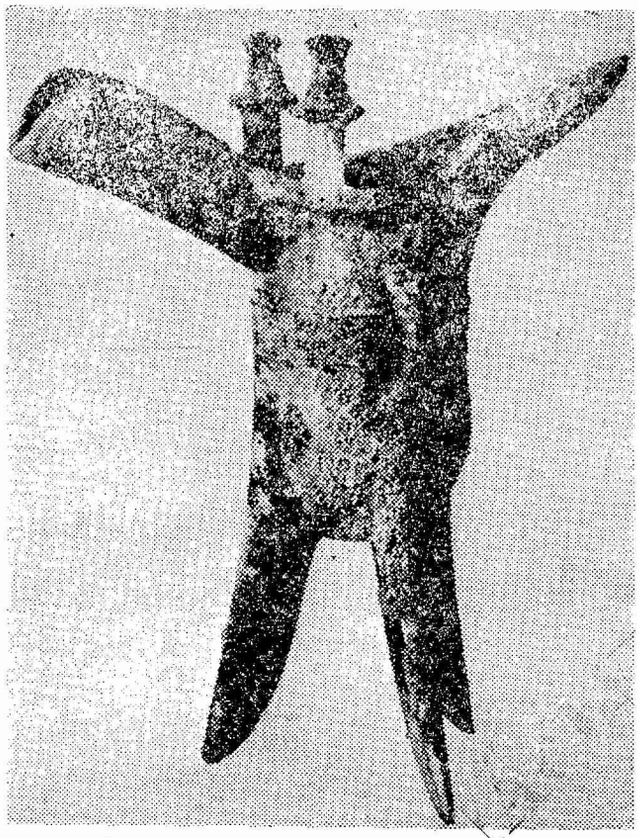
Dr. Ferguson, author of the survey of Chinese Art, has spent most of his long life in China and has been associated with the leading scholars of the country for the last half century. To quote from the description on the jacket, "He has had the opportunity of seeing the dispersal of the great private collections which had been made during the last years of the Empire. After the expulsion of the Emperor from the Peking Palace enclosure, he was a member of the Committee of Reference which examined and catalogued the national treasures of bronzes, jades, writings and paintings, and porcelains which had been collected by successive Emperors of the Ming and Ching dynasties. He has also a large private collection which had been exhibited for several years in the Wen Hwa Tien of the former palace, which he presented to the University of Nanking.

"The survey is thus based upon his wide experience in observing and studying the best specimens of Chinese

Art." It is no exaggeration to say that Dr. Ferguson has had a longer and richer experience as adviser to Chinese governments, as an educator, writer and author of works on art and literature, and as an editor, than any other foreigner who has resided in China in the past decade."

In his preface, Dr. Ferguson stated that the last decade in China had made a large amount of new material available for students of Chinese art. Some pieces stored in palaces were made available for the public, other pieces came to light through excavation of noted sites. Military activity (presumably Chinese) had been responsible for some wonderful bronzes and jades and economic depression had compelled some collectors to sell. These factors had produced more material for study than was available in earlier years. The present volume is a survey of this material; many of the pieces, as stated in the foregoing, are from the author's private collection.

Not An Air-Bomb



Chinese apparently were the first human beings of any race to manufacture useful and artistic articles of personal and household utility from bronze. Like other races they also used bronze to manufacture war-axes and arrow-points, but the Chinese were among the first to use bronze for the manufacture of vessels for use in the cooking and serving of foods and drinks and for sacrificial purposes. This libation cup, containing an inscription in early Chinese characters indicating ancient manufacture, is in the collection of Dr. John C. Ferguson, whose new book on Chinese art is described in the accompanying article.

The book contains a profusion of illustrations of bronzes, stone monuments, calligraphy, painting, jades, ceramics, architecture, furniture, textiles and miscellaneous arts. Each chapter is preceded by several pages of historical description, the following paragraph constituting the introduction to the chapter on Bronzes:

> "Bronze vessels are contemporaneous with the dawn of Chinese civilization of which they form an essential part They are the earliest form of artistic expression of an ancient race whose public and private life was based upon ceremony and divination. In the family they were used to celebrate birthdays, marriages and deaths; in the state to worship supernatural beings, to celebrate victory over enemies, to supplicate mercies and repent transgressions. An early tradition records that in the twenty-third century before the Christian era Yu The Great made nine caldrons, chiu ting, from metal sent to him by the governors of the nine provinces. It is said that in B. C. 1792 they were transferred to his capital by the founder of the Shang dynasty and in B. C. 1148 to Loyang by the first emperor of the Chou dynasty. Eight were lost to the conquering Ch'ins and one sank in the Ssu river. This tradition influenced the Empress Wu of the T'ang dynasty and the Emperor Hui Tsung of the Sung to cast nine tripods as emblems of their sovereignty, but those of the empress were destroyed when her period of usurpation was finished and those of the emperor were carried off by the Nu-chen Tartars when they sacked his capital. The strength of this tradition is only one of the many evidences of the high regard in which bronze vessels have been held. Their influence upon all other forms of art has been dominant . . . ."

A more adequate review of Dr. Ferguson's valuable and timely book will be published later, but the appearance of his survey of Chinese art at this time is of special significance in view of developments now taking place in China which have shocked the entire world, and particularly that comparatively small but important group of learned men and women in all civilized countries who have been interested in research studies in this country.

It is a matter of public record that the United States Government—at the time of the Boxer Rebellion and for several years after—took steps to restore to the Chinese Government certain objects of art which had illegally come into the possession of American citizens at a time when the Chinese were unable to protect themselves against marauding foreign soldiers. The Japanese at that time were among the best behaved of the foreign troops which participated in the relief of the foreign legations and communities in Peiping. Even down to the time of the Japanese intervention in Shantung at the beginning of the first World War, there was little complaint at the actions of the Japanese troops from the standpoint of their treatment of the Chinese population in the areas which the Japanese occupied.

But a change has come over the armed forces of Nippon, causing them to resemble the barbarous invaders of a bygone age. And not the least of the barbarities has been the looting of occupied areas of all ancient works of art. It would not be surprising if, when the day of accounting arrives, the Japanese may be forced to return these objects to their legitimate owners —excepting, of course, those which the Japanese have melted down to produce bombs for the destruction of cities far inland which their armies have not been able to reach.

Suggests Creation of "Panay" Fund for Chinese Orphans

Several weeks ago when Yakichiro Suma, former Counsellor of the Japanese Embassy in Washington, returned to Tokyo, he advised Japanese officialdom to take immediate steps to adjust their relations with the United States. As an example of mounting anti-Japanese sentiment in America he alleged that Naval officers were drinking toasts to each other, "Remember the Panay." An American reader of *The Review* who read Suma's statement suggested the creation of a "Panay Christmas Fund" for Chinese orphans and to show his good faith he enclosed his check for $200. He suggested that the fund be divided equally between Miss Henderson's orphanage here and Madame Chiang's orphanage in Chungking. *The Review* is glad to call attention to the suggestion for the creation of a "Panay Christmas Fund" for Chinese orphans and will see that any further contributions to the fund are sent to the orphanages designated. Anyone interested in joining a "Panay Memorial Association," should send his name and address to *The Review* and he (or she) will be placed in touch with the donor of the Christmas Fund.

U. S. Moves to Readjust Its Activities Under New Neutrality Law

THE passage of the new Neutrality Law by Congress (Senate vote 63 to 30; House 242 to 181) and the signing of the bill by President Franklin D. Roosevelt on Saturday, Nov. 4, has been followed by various moves on the part of the Government to readjust its activities domestically and internationally. This immediately became necessary due to the fact that the new legislation was adopted in order to readjust the relations of the country toward a war which was already in progress and which an overwhelming majority of Americans hoped they would not have to participate in.

This desire not to participate in the present hostilities in Europe is based on a variety of reasons, many of them emotional, which may change at any time, but generally it is due to a feeling on the part of the people that their participation in the previous war did little to accomplish the announced objectives of the struggle. The Americans have thus decided—for the present at least—to stay out of the present European struggle, but the decision may not be permanent as was indicated in the President's announcement that Congress might be called into special session again in the event it should become necessary due to developments in the international situation affecting the peace and welfare of the United States.

Proof that the decision on the part of the Government not to participate in the war does not indicate a weakening of the nation's morale or determination to defend itself in the event of attack, was indicated in the apparently general approval of plans to strengthen the country's defense forces. It also was evidenced in unmistakable moves designed to prevent further encroachment on the country's interests in the Orient by the irresponsible and uncontrolled military clique of Japan.

NEW SHIPPING REGULATIONS

The vital elements in the new Neutrality Law are concerned with the arms trade and the operations of American ships. Thus far it is thought that the withdrawal of restrictions on the sale of arms to belligerents will not have any immediate effect in the Far East, due to the fact that the Japanese Army, although over-running a considerable portion of the Asiatic seaboard, is still operating without a declaration of war. That the sale of war materials to Japan may be restricted when Congress meets in January—about 50 days from today—was indicated in statements by responsible leaders of the Administration this week.

As American participation in the war in Europe depends largely upon the future activities of Germany and her immediate associates, so also it might be said with equal emphasis that whether or not the United States adopts stronger policies tending in the direction of war in the Orient—depends largely upon the actions of Japan in the immediate future!

So far as the sale of arms and materials of war are concerned, all restrictions are off, so long as belligerents pay cash for their purchases and transport them in their own ships.

SHIPPING PROCLAMATION

The President, on Nov. 4, issued a proclamation putting into effect the provisions of the Neutrality Law affecting the operation of American ships. The proclamation was the third which the President issued following enactment of the new law, the first being concerned with the announcement and enforcement of the new law, and the second dealing with submarine activity. The third proclamation, fixing zones in which American ships may or may not operate was issued in accordance with Section III of the Act. He defined the combat area "through or into which it shall be unlawful, except under such rules and regulations as may be prescribed, for any citizen of the United States or any American vessel, whether a surface vessel or an aircraft, to proceed."

Section IIIB of the Neutrality Act provided as follows: "In case of the violation of any of the provisions of this section by any American vessel or any owner or officer thereof, such vessel, owner or officer shall be fined not more than $50,000 or imprisonment for not more than five years, or both. Should the owner of such vessel be a corporation, organization, or association, each officer or director participating in the violation shall be liable to the penalty hereinabove prescribed. In case of the violation of this section by any citizen traveling as a passenger, such passenger may be fined not more than $10,000 or imprisoned for not more than two years, or both."

Stimulating—But Is it Healthy?

York in the Louisville Times

The combat area is defined as follows: All the navigable waters within the limits set forth hereafter.

"Beginning at the intersection of the North Coast of Spain, with a meridian of 3 degrees, 45 minutes longitude west of Greenwich;

Thence due north to a point in 43 degrees, 54 minutes north latitude;

Thence by rhumb line to a point in 45 degrees, 00 minutes north latitude; 20 degrees, 00 minutes west longitude;

Thence due north to 58 degrees, 00 minutes north latitude;

Thence by a rhumb line to latitude 62 degrees north, longitude 2 degrees east;

Thence by rhumb line to latitude sixty degrees north, longitude 5 degrees east;

Thence due east to the mainland of Norway;

Thence along the coastline of Norway, Sweden, the Baltic Sea and dependent waters thereof, Germany, Denmark, the Netherlands, Belgium, France and Spain to the point of beginning".

Note—"Rhumb" is a nautical line cutting all meridians at the same angle, similar to the line followed by a ship sailing on one course; the angular distance between two successive points of the compass.

President's Statement on Combat Areas. At the time of signing the above-mentioned proclamation, the President issued the following statement:

"The revised neutrality law has been signed and has gone into effect today; and I have also, under it, issued a proclamation defining a combat area, described in latitude and longitude.

"In plain English, the chief result is this. From now on no American ships may go to belligerent ports, British, French and German, in Europe or Africa, or as far south as the Canary Islands. This is laid down in the law, and there is no discretion in the matter.

"By proclaiming a combat area, I have set out the area in which the actual operations of the war appear to make navigation of American ships dangerous. This combat area takes in the whole Bay of Biscay except waters on the coast of Spain, so close to the Spanish coast as to make danger of attack unlikely. It also takes in all the waters round Great Britain, Ireland, and the adjacent islands, including the English Channel. It takes in the whole North Sea running up the Norwegian coast to a point south of Bergen. It takes in all of the Baltic Sea and its dependent waters.

"In substance therefore American ships cannot now proceed to any ports in France, Great Britain or Germany. This is by statute. By proclamation they cannot proceed to any ports in Ireland, nor to any port in Norway south of Bergen; nor to any ports in Sweden, Denmark, Netherlands or Belgium nor to Baltic ports. All neutral ports in the Mediterranean and Black Seas are open; likewise all ports belligerent or neutral in the Pacific and Indian Oceans and dependent waters, and all ports in Africa south of the latitude of the Canaries (30 degrees north).

"I have discretion to permit, within the spirit of the law, American shipping to operate in the combat area where there is necessity. It is intended by regulation to provide that ships and citizens who are now in combat areas may get out of them; and for the minimum of necessary official, relief, and other similar travel which must go on in such areas. It is also intended to provide that vessels which cleared for combat areas before the act and proclamation became effective shall be allowed to complete their voyages.

"Combat areas may change with circumstances, and it may be found that areas now safe become dangerous, or that areas now troubled may later become safe. In this case the areas will be changed to fit the situation.

"Coastwise American shipping is not affected by the bill, nor is shipping between American Republics or Bermuda or any of the Caribbean islands. In the main, shipping between the United States and Canada is also not affected."

Secretary of State Cordell Hull, on Nov. 6, defined certain conditions under which the regulations of the Neutrality Act do not apply:

1. Holders of passports, validated or issued since September 4, who are allowed to proceed, in accordance with the restrictions placed on the passport, into or through combat areas.
2. Holders of passports which were not issued or invalidated prior to September 4 may now proceed into or through combat areas until further notice.
3. The current voyage of any United States vessel which has been cleared for a foreign port in the fighting areas and departed from an American port or from the jurisdiction of the United States before the Neutrality proclamation was issued.

"Fishing" in American Waters

The Chicago Tribune

4. United States Coast Guard vessels which may proceed to combat areas in the course of duty.
5. Any United States ships commissioned to evacuate Americans endangered as a result of combat operations.
6. Red Cross ships, when belligerents have granted them safe conduct, may proceed into the war zones.

HOPE TO KEEP OUT OF WAR

The President signed the proclamation making the law effective immediately in the presence of Secretary of State Cordell Hull and a large group of Congressmen. Immediately after President Roosevelt's signature had been affixed to the Act, making it a law, Secretary Hull declared "It is my firm belief that we shall succeed in the sacred task of keeping the country secure and at peace."

A State Department spokesmen told the press immediately following the signing of the Neutrality Law that the Administration's request to airplane manufacturers not to sell their craft to nations bombarding civilians still stands good and will remain unchanged.

The reference was to the sale of planes to Japan, which was discontinued a year ago, following Secretary Hull's request.

While it was announced earlier that Germany might issue an official communique on the subject of the Neutrality Law, later reports indicated that such a declaration probably would not be issued by the Nazi administration.

POSSIBLE WIRELESS CONTROL

According to an *International News Service* report from Washington, published in *The China Press* on Nov. 6, it was suggested that the Federal Communications Commission might find it necessary to expand its policing of the nation's air-waves due to the existence of unlicensed radio stations operating along the Mexican border which allegedly were communicating with German ships in the Gulf of Mexico and the Carribbean. It was stated that if such reports were found to be true the proprietors of "pirate" transmitting stations, operating illegally, might be prosecuted as the first violators of the Neutrality Law.

EXPANSION OF U. S. ARMS

As indicated in previous discussions of the subject in *The Review*, the initial reaction in the United States has been to stimulate the desire for added armament, not only for the purpose of enforcing the Neutrality Law and the cooperative action of the United States and the American Republics in extending the neutrality area far into the Atlantic, but also for the purpose of strengthening the diplomatic arm of the nation.

According to a *Havas* message from Washington on Nov. 4, Representative Carl Vinson, author of the original naval expansion law, and chairman of the House Naval Affairs Committee, announced his intention of requesting the forthcoming session of Congress to agree to collossal expansion of the country's naval forces. He stated that the cost of the rearmament program which he had in mind for the naval and air force would approximate U. S. $1,300,000,000. He said he would request Congress to authorize the construction of 126 new naval vessels displacing 525,000 tons; 2,395 of the most modern airplanes and 36 dirigibles. Of the tonnage of 525,000 which he intended to request, 400,000 tons would be for 95 warships, of which three would be aircraft carriers, eight cruisers, 52 destroyers, and 31 submarines. Also there would be 31 auxiliaries displacing 125,000 tons. He declared that the country "wanted no war hysteria."

SPUR TO BUSINESS

The withdrawal of the arms embargo was expected to have an immediately stimulating effect on the manufacture of airplanes, according to reports from New York. Manufacturers and potential manufacturers of actual munitions were also expected to benefit immediately from the enactment of the law. However, the gains from the sale of planes and munitions would, in a sense, be neutralized by losses suffered by American ships by being compelled to withdraw from shipping lines which might be immensely profitable, even though dangerous. About 30 % of the country's foreign trade fleet would be adversely affected by the law in its present form. There are at present 326 documented American vessels now engaged in the transportation of passengers and dry freight, of which 29 are temporarily inactive. Eight foreign trade routes of American vessels will have to be abandoned.

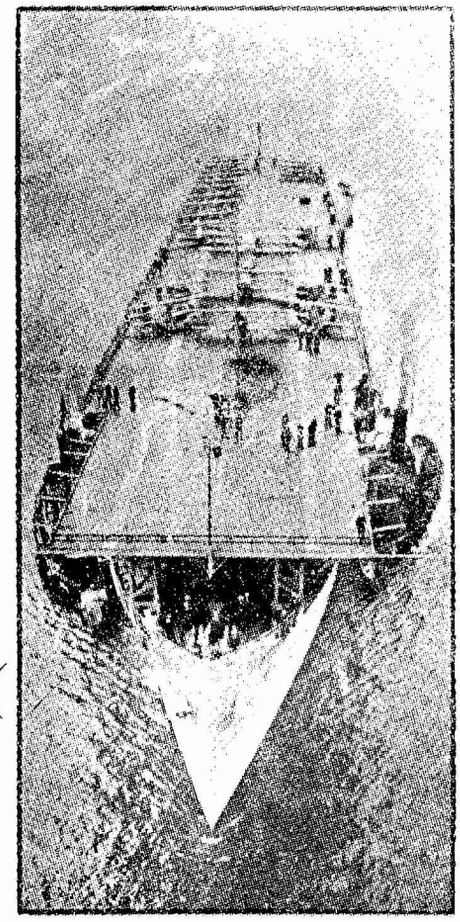
Removal of the embargo on arms sales was expected to result in the early placing of orders in the United States for airplanes amounting to between U. S. $150,000,000 and U. S. $200,000,000.

SENATORS WOULD TAX ARMS

Congressional leaders announced their intention of taking early action to curb profits on arms sales, opened up by the cash and carry provision in the new law. The Republican Senator Gerald N. Nye said he was preparing measures which would impose heavy taxation on the profits from sales not only of munitions, but trucks and other indispensable war implements. Representative H. Jerry Voorhis announced his intention of drafting a bill to impose an 8 per cent tax on profits from sales of munitions and other war implements.

LOOP-HOLES DISCOVERED

Aircraft Carrier Langley



Newsweek

The aircraft carrier, U. S. S. Langley, which recently was assigned, with 15 Navy bombers, to Manila, the first time that the comparatively small American naval force in the Philippines has been augmented to such an extent since the occupation of the Islands at the time of the Spanish-American War in 1898. The planes will be used as a scouting force to detect the presence of alien commerce raiders in that quarter. In addition to the augmented aviation force, the Navy Department has also dispatched six new modern type submarines to the Manila base, thus raising the submarine force based in the Islands to an even dozen. It was reported recently that the Navy might stage a "mass" flight of planes from Honolulu to Manila as part of the naval maneuvers, similar to mass flights conducted in recent years between San Francisco and Honolulu and between continental United States and Panama.

The new Neutrality Law had not been on the statute books many hours before two serious loop-holes were discovered. One was that American shipping concerns were chartering neutral ships to operate in prohibited zones while another firm had applied for the transfer of American ships to the jurisdiction of the Panama Republic. The United States Lines applied to the Maritime Commission for permission to transfer nine American ships to Panama in order to continue to operate them in forbidden zones. A report from Washington on Nov. 7 stated that the Maritime Commission had conditionally decided the transfer would not involve questions of American foreign policy. The State Department said, however, that the transfer of registry would breach the integrity of the Neutrality Act.

PRESIDENT'S PRESTIGE HELPED

The passage of the new Neutrality Law, carrying out the Administration's wishes practically in their entirety, has immensely increased the prestige of both President Roosevelt and Secretary of State Cordell Hull, according to *United Press* reports from Washington on Wednesday of this week. A poll by the Institute of Public Opinion indicated overwhelming sentiment among Democrats

in favor of a third term for President Roosevelt. The prestige of the Secretary of State has also been greatly increased.

Major Arthur Bassett, who just returned, with Mrs. Bassett, from a trip to the United States, expressed the view that President Roosevelt would not seek a third term and that Paul McNutt was the most likely candidate on the Democratic side. Major Bassett said that the question of neutrality was the outstanding subject of discussion throughout the country while he was there. He thought revision of the embargo regulations would be a great boon to American business.

How the Japanese Have Increased Their Share of Shanghai's Import Trade

BY JOHN AHLERS

THE great trade advatanges which the Japanese reaped as a result of their conquest of large parts of China, as well as of their systematic anti-western business discrimination in these territories, are not as obvious in Shanghai as they are, elsewhere. Manchuria's trade statistics clearly show that importations from Japan account for roughly 80 per cent of the total imports of the Northeastern provinces. In the Inner Mongolian puppet state of "Meng-Chiang," the Nipponese control 90 per cent of all the imports. In North China proper, their import share has reached some 70 per cent. In the Lower Yangtsze Valley, Japan enjoys what practically amounts to a trade monopoly. In Shanghai only, trade totals as reported by the Chinese Maritime Customs fail to reveal, at a glance, the real extent to which Nipponese business has progressed here at the expense of the other nations' trade.

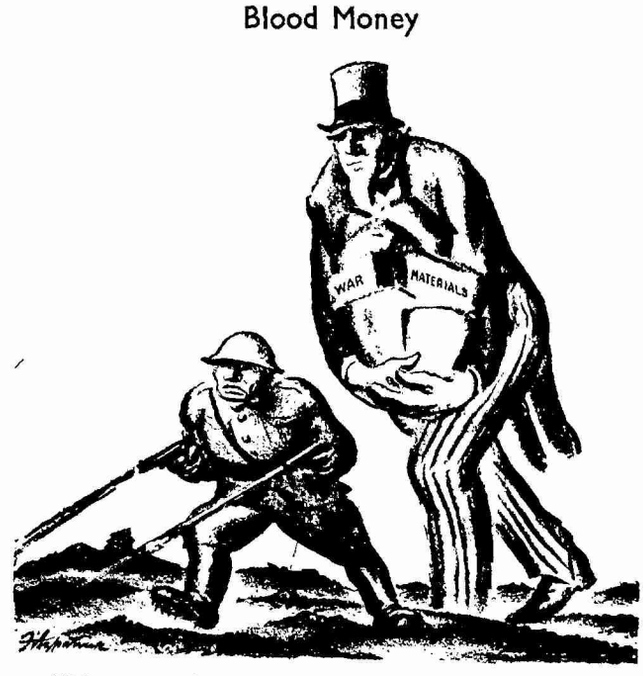
Total imports of Shanghai for the first nine months of this year were valued at G.U.204,443,474. Importations from the Japanese Empire, during the same period, were as follows:

From	Japan Proper	G.U. 28,008,698
	Kwantung L.T.	„ 5,852,857
	Formosa	„ 2,503,235
	Korea	„ 601,032
	Japanese Empire	G.U. 36,965,822

These imports give the Japanese for January-September, 1939, a share of only 18.12 percent in Shanghai's imports from abroad. The shares of both the United States and British India are slightly larger. In 1936, prior to the outbreak of the Sino-Japanese war, the Nipponese participated in the import trade of Shanghai to the extent of 16.88 per cent, so that their present import share would not seem to have greatly increased. In the light of these figures, then, is it right to charge the Japanese with having wrung from western nations a substantial volume of trade in Shanghai, chief center of the China trade, accounting for more than half the total foreign commercial turnover of China?

The charge *is* fully justified, but to prove it clearly a more detailed analysis of the development of Shanghai's imports during the Sino-Japanese war has to be made. The structure of Shanghai imports has undergone far-reaching changes. The war devastation of the Chinese countryside resulted in an enormous reduction of cotton and cereal crops, and consequently Shanghai's purchases of foreign cotton, wheat and wheat flour have sharply increased. Take cotton, for instance. In the first nine months of 1936 Shanghai imported G. U. 13,605,655 worth of foreign cotton, which accounted for only 6 per cent of the city's total imports during that period. In January-September, 1939, however, Shanghai purchased abroad G. U. 54,195,294 worth of raw cotton representing no less than 27 per cent of all the imports of Shanghai. If cotton were taken apart, the Japanese share in Shanghai's 1936 importations still remains below 19 per cent, but for the current year amounts to 24.6 per cent. If we take cotton and cereals apart, Japan's present import share in Shanghai would rise by another three per cent to 27.6 per cent.

If we are to obtain a clear view of Japanese trade advances in Shanghai, the only way to achieve this is to compare the Japanese Empire's present percentual participation in Shanghai imports of industrial products with its pre-war share. It is in the field of industrial products that Japan and the western nations have been, and continue to be, chiefly competing in the China markets. It is percentual trade shares that must be considered, because only such shares really show to what extent a certain country may have advanced its hold upon the trade of another country. Mere value figures tend to mislead, since not only are prices nowadays much different from what they were two or three years ago, but also because declines in absolute trade values may disguise comparative advances in trade participation.



This cartoon by Fitzpatrick was used in Collier's weekly to illustrate an article entitled "Blood Money," in which the United States' policy of supplying Japan with materials for her war on China is condemned.

An analysis of this sort leads to the unavoidable conclusion that, apart from a few groups of commodities in which wartime Japan suffers from raw material shortage, Japan has strongly increased her share in the importation of most industrial goods in Shanghai. In many instances, Japan doubled and trebled her quota in Shanghai imports, and in numerous instances the increase of that quota has been much larger. There are examples even of Japanese trade share multiplications by no less than 25 times, as in the case of photographic materials. All these advances, of course, have been made at the

expense of other nations' positions in the China trade.

The following analysis has been worked out upon the basis of the trade returns published by the Chinese Maritime Customs of Shanghai. Present Japanese trade shares have been established by calculating separately in the instance of every group of commodities and every single article mentioned, the percentage in Shanghai imports for the first nine months of this year of aggregate importations from Japan proper, Formosa, Korea and the Kwantung Leased Territory. Pre-war trade shares of the Japanese in Shanghai were found by means of the same calculation applied to the trade figures for the whole year of 1936.

As a result, we find that Nipponse trade shares in Shanghai throughout the Sino-Japanese war decreased substantially merely in three groups of textile products, viz. in cotton piecegoods from 70 to 52.5 per cent, in woollen goods from 56 to 19 percent, as well as in flax ramie, hemp and jute products from 15 to six per cent. In the silk group, there was an increase of the Japanese import share from 47.5 to 53.2 per cent, due to Japan's continuous advance in the Shanghai rayon yarn and cloth market. Otherwise, the only strong decrease in Japanese participation in Shanghai imports is to be found in the field of metals, viz., from 17.15 to 8.6 per cent. From the economic situation of Japan, it is obvious that all these decreases were due solely to the temporary inability of Japan to provide for exportation to Shanghai the goods in question in the pre-war quantities.

However, while the Japanese needed their iron and steel themselves, they found it posible to sharply increase their import shares in Shanghai in iron and steel products. In the field of miscellaneous metalware, they doubled their Shanghai import share from 11 per cent in pre-war times to 22.7 per cent in recent months. In various important articles of this group, they managed to advance their trade shares as follows :

	PRESENT	PREWAR
Scientific Instruments	30.0%	6.0%
Scales, Balances	50.0%	23.5%
Burning Appliances	33.0%	4.5%
Cutlery	50.0%	30.0%
Electric Bulbs	82.0%	36.5%
Electric Accumulators	42.0%	6.2%
Electric Fittings	47.5%	22.0%
Hand-Sewing Needles	62.0%	28.0%

In the machinery and tools group, the Japanese Shanghai import share has advanced from 25.6 per cent before the war to 38.2 per cent of late months, a progress made chiefly at the expense of the United States and Germany. In the group of vehicles and vessels, the Nipponese strongly increased their import share, at the expense of the United States, from only five per cent to 23.7 per cent. This expansion was most conspicuous in the field of motor trucks and tractors, formerly almost a U.S. business monopoly in Shanghai. In the whole year of 1936, Shanghai imported from Japan only a single truck, but in January-September of this year Japan delivered to Shanghai 655 out of a total of 999 imported trucks and tractors, giving Dai Nippon a shareof 59 per cent in the value of these imports. In motor cars and parts also, the Japanese Shanghai import share was below one per cent in 1936, but soared to 39.13 per cent in recent months.

In the supply of Shanghai with fish and other marine products, the Japanese held a dominating position before the war. But in animal products, canned goods and groceries they accounted in pre-war times only for 11 per cent of Shanghai imports. This percentage has been increased to 39.1 for the current year. As regards sugar, the Japanese import share soared from 27.2 to 36.7 per cent. In the hinterland of Shanghai, Formosan sugar has ousted Java sugar. In wines, beers and spirits, Dai Nippon's import participation almost trebled from 15 to 43 per cent.

As for dyes and varnishes, the Japanese Shanghai import share but slightly increased from 8.35 to 9.8 per cent, with Germany up to the oubreak of the European war maintaining her leading position. In chemicals and pharmaceuticals, however, the Japanese share advanced more strongly from 19.3 to 26.3 per cent. It was, in particular, in the field of patent medicines and drugs, i.e. the most valuable branch of this commodity group, that "Made in Japan" products expanded in the Shanghai market. As regards perfumery and cosmetics, the Nipponese trade share in the Whangpoo city more than quadrupled, rising from 10 per cent to no less than 42 per cent.

The important Shanghai paper market also experienced a sharp expansion of Japanese importations. The latter

He Only Wants the Globe!

New York Times

share in this market, prior to the war, was only 10 per cent, but in 1939 this percentage has increased to 36.5 per cent. This expansion took place not only in items in which the Nipponese always had been strong in Shanghai paper imports such as, for instance, cigarette paper, in which imports Japan's share shows an increase from 52 to 70.6 per cent. In imports of paper boards, very prominent in Shanghai's paper trade, the Nipponese participated before the war merely with a trifling 3.6 per cent. Their present participation is 54.9 per cent, showing a multiplication by more than 15 times.

Some remarkable increases of Japanese participation in Shanghai imports were experienced also in the following commodities :

	PRESENT	PREWAR
Timber	9.6%	4.4%
Woodware	57.0%	13.0%
Chinaware, Glass	71.4%	20.2%
Office Requisites	62.2%	32.5%
Photographic plates, paper, films, etc.	26.3%	1.1%

It is the detailed figures for single comodities and groups of commodities, in which western nations compete with Japan in the Shanghai market, and not the mere trade totals, that bring to light Dai Nippon's commercial march of conquest in Shanghai. As regards

the vast majority of the goods concerned, Japan today enjoys a considerably larger share than prior to the Sino-Japanese war in the imports of China's most important trade center. The reasons for this advance are well-known: the exclusion of non-Japanese business from large areas of the occupied interior; anti-western trade legislation and regulation by the Nippon-sponsored puppet regimes; the monopolization by the Japanese of all inland communications; the expropriation of the bulk of the Chinese industries, as well as a long series of other arbitrary measures directed against the China trade of other nations.

Diplomatic Struggle in the Far East Affords Japan a Temporary Advantage

THE political atmosphere in the Far East is heavily charged with rumors set in motion by the unusual amount of diplomatic activity at present going on. Since diplomacy is secret, rumors are inevitable. The truth becomes known only when the governments place their peoples before a *fait accompli*, and the peoples are expected to swallow what their governments decide is good for them.

The situation in the Far East, where so many conflicting interests are involved, is much more bewildering than the happenings in Europe, where the issues are fairly clear and the battle lines (at present) sharply drawn. Out here we have the European "democracies" (Britain and France) seeking a way of ending the China conflict with the greatest advantage to themselves. Preoccupied with fighting Germany, they are desirous of some sort of settlement of the Far Eastern embroglio which will leave them at least secure in their colonial possessions in this part of the world.

The United States, intent on preserving China's territorial integrity, and the principle of the Open Door that goes with it, will not countenance any sort of agreement which would merely satisfy the conservative interests of the two European powers and is preparing for a showdown with Japan.

Soviet Russia, heavily involved in Europe despite the formal neutrality of the Stalin government, would like to arrive at a peaceful settlement of outstanding issues with Japan, regardless of what it may cost China or anybody else.

Japan and China, both exhausted by the war, though in dissimilar degree, want peace, but their ideas as to what could be accepted as conditions for an "honorable" termination of the conflict are as far apart as the poles.

It is the presence of all these contradictory elements which gives to the current diplomatic scene its bewildering character. The diplomats play their game with the technique of poker enthusiasts. Bluff and pretense fill the air. Rumors are set in circulation to confuse or frighten the rival players. If expediency dictates, they are denied. Hints are thrown out for the scribes of the press to work on. Speeches are made. Statements are issued. Then they are "interpreted." The interpretations get someone indignant. More denials. More rumors. More speeches. More statements. And the game goes merrily on.

Early last week, Tokyo officially denied that Japan intended to open any sort of negotiations with Britain or the United States for a settlement of Far Eastern issues. Nevertheless, Foreign Minister Nomura talked with the American Ambassador, Mr. Joseph C. Grew on Nov. 4. The American envoy, according to *Domei*, presented America's views on the situation in the Far East. According to *United Press*, Mr. Grew "opened decisive American-Japanese discussions" with Admiral Nomura by giving a "forceful and blunt" representation of America's views. The Grew-Nomura talk followed by a day a statement by the Japanese Premier, Gen. Abe, in which, according to *Domei*, he "reiterated the need for a readjustment of American-Japanese relations." Conversations between the two countries, he said, would "have to be held anyway" regardless of the form they would adopt.

It was certainly no accident that this somewhat more reasonable Japanese attitude came right after Molotov's speech to the Supreme Soviet in Moscow in which the Foreign Commissar held out the olive branch to Japan. Moscow had to be given to understand that a Japanese-American agreement is by no means excluded. Tokyo was simply acting to improve its bargaining position in any negotiations that may take place with Moscow.

Diplomats in Chungking

Photos by Thomas Kwang

The British, American and Soviet Ambassadors were seen together in Chungking on Oct. 23, when Dr. H. H. Kung, president of the Executive Yuan, gave a garden party for the diplomatic corps and well-known foreign and Chinese residents. In the upper picture, in the foreground, Dr. Kung is seen with Sir Archibald Clark Kerr, the British envoy. At the extreme left is Mr. Nelson T. Johnson, the American Ambassador, and next to him Dr. Wang Chung-hui, China's Foreign Minister. The lower view shows Dr. Kung conversing with M. Alexander S. Panaouchkine, the Soviet Ambassador (center) who is accompanied by a member of the Soviet Embassy staff.

After that, several things happened. The Tokyo newspaper *Kokumin Shimbun*, on Nov. 7, in an obviously inspired statement, declared it to be the Japanese standpoint that the United States should recognize changed realities in East Asia and rightly interpret "Japan's great policy of reconstruction" in this part of the world. More than that, the paper said, third Powers would have to approach the new puppet government in China (when it is formed) for a settlement of such matters as the integrity of the Chinese Maritime Customs and the reopening of the Yangtsze River. In other words, Japan's impairment of third-power rights and interests in China is a matter upon which the powers will have to negotiate, not with Japan, but with Wang Ching-wei or any other Chinese puppet Japan may see fit to install at the head of the new regime.

On the day this statement appeared in Tokyo, Senator Key Pittman, chairman of the Foreign Relations Committee of the U. S. Senate, predicted, according to *United Press*, that the session of Congress in January will authorize economic pressure against Japan to halt Japan's anti-American policies in China. Senator Pittamn was quoted as saying that he himself would press for a resolution empowering the President to declare an embargo against shipment of vital war supplies and raw materials to Japan after January 26, when the American-Japanese Treaty of Commerce and Navigation expires.

The same source reported from Washington on Nov. 3 that the American Chamber of Commerce at Tientsin had cabled the State Department urging refusal of a new commercial treaty with Japan until the latter ceased oppressing American business in North China. "Despite constant and tireless representations," the cable reportedly said, "no satisfactory results have been obtained whereby Americans may conduct their private business and affairs without unnecessary hindrance. It is obvious that further representations locally will not bring the desired results."

Meanwhile, Mr. Sotomatsu Kato, Japan's Minister-at-Large, arrived in Shanghai this week to open conversations with the American Consul-General, Mr. C. E. Gauss, and other third-power consular officials. Informed quarters in Tokyo said the talks here would parallel those in the Japanese capital and would center on the establishment of the new Wang Ching-wei regime in China and problems connected with third-power interests in the Japanese-occupied areas of China. At the same time, a spokesman of the Foreign Office in Tokyo said that the establishment of the new government in China will restore peaceful conditions and remove some of the causes of friction with third powers.

Anglo-Japanese relations have been much less in the limelight of publicity lately. The London correspondent of the Tokyo *Asahi Shimbun* cabled on Nov. 4 that in an interview with Mr. Neville Chamberlain the British Premier had told him that Great Britain and the British people were willing and ready to change their attitude toward Japan, provided Japan "displays understanding of the legitimate rights and interests of Great Britain." The British, he reportedly said further, "are always ready to listen to reason and are not people to continue to harp on one theme constantly."

United Press reported from London on Nov. 2 that an attempt to resume Anglo-Japanese conversations on the Tientsin issue, which broke down last August, had run into difficulty because of disagreement on the question of silver bullion stored in Chinese banks in the British Concession at Tientsin. It was stated that Mr. Masayuki Tani, Japanese Vice-Minister of Foreign Affairs, refused to discuss a settlement of the Tientsin controversy unless the British agreed to turn over the silver. He was also understood to have suggested that the silver, valued at $14,000,000, should be used to finance flood relief measures in Japanese-occupied regions of North China.

A *Reuter* report from Peiping on Nov. 1 quoted informed Chinese political circles to the effect that the Japanese authorities have issued orders for the cessation of the anti-British movement in the Peiping area. Chinese police, it was stated, had been given orders to remove anti-British banners fixed across the streets and anti-British posters affixed to walls. They were also to withdraw pickets from British premises.

Diplomacy Becomes More Difficult

NON-AGGRESSION PACT = SEIZURE OF TERRITORY
SEIZURE OF TERRITORY = RESTORATION OF ORDER
RESTORATION = NEUTRALITY
NEUTRALITY = WAR - WHICH YOU DON'T DECLARE
WAR = POLICE ACTION
POLICE ACTION = INVASION
∴ INVASION = PEACE
WORLD
HES A BIT SLOW IS LEARNING THE NEW TECHNIQUE COMRADE.
Strube

Strube in the New York Times

Major interest this week centered on the possibility of a Soviet-Japanese rapprochement at the expense of China. Arriving at Seoul, Korea, on his way to his post, M. Constantin Smetanin, newly-appointed Soviet Ambassador to Tokyo, declared on Nov. 3, according to *Domei*, that "there was no question between the two countries that could not be peacefully solved." Negotiations were already under way in Moscow between the Japanese Ambassador, Mr. Shigenori Togo, and Foreign Commissar Molotov, for a settlement of border disputes, he said.

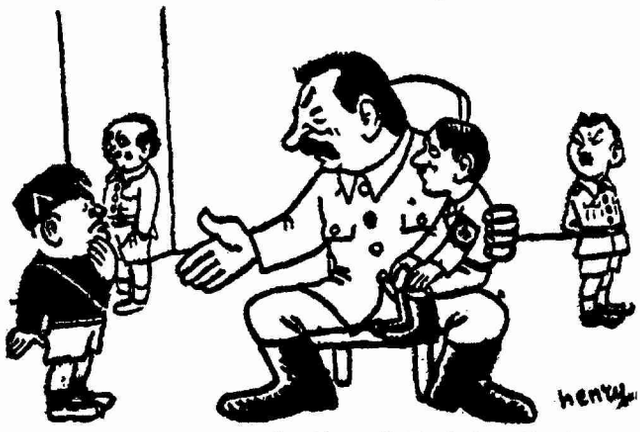
Smetanin's statement closely followed Commissar Molotov's speech to the Supreme Soviet last week, in which he threw out friendly hints toward Japan. These hints caused the liberal *Manchester Guardian* to remark that Molotov's speech must have been "profoundly disturbing" to the Chinese Government. Pointing out that Molotov had not mentioned China directly, while Japan was indirectly rebuked for endeavoring to appropriate part of Outer Mongolia, but not for endeavoring to appropriate the whole of China," the paper wrote: "It is just possible that the Soviet might agree to 'disinterest itself' in China for a guarantee of peace on its eastern frontier and of improved economic relations."

The Japanese press, according to *Domei*, gave a "guarded welcome" to Molotov's address. The *Chugai Shogyo*, leading commercial daily, asked bluntly whether or not Russia was prepared to abandon her policy of assistance to Gen. Chiang Kai-shek. "It is obvious that the prerequisite for 'vital improvements' (in Soviet-

Japanese relations) is the withdrawal of Soviet influence and the termination of assistance to the Chiang regime," the paper said, then adding the following significant question: "Does his (Molotov's) complete silence about China—which has usually received attention in such speeches by Soviet leaders—suggest that Moscow is ready to enter a political agreement with Tokyo concerning the Far East?"

That is a question many people are asking. The answer should not be long in forthcoming, for Molotov, at the end of last week, openly proposed the negotiation of a Soviet-Japanese commercial treaty and in Tokyo the idea was received favorably. It is as well to remember

"Who is Next to Sit on My Knee"?



Le Canard Enchaine, Paris

that the preliminary to Stalin's political pact with Hitler was a commercial agreement between Soviet Russia and Nazi Germany. History may repeat itself.

The Communist International woke from its slumbers on Nov. 7 to issued the usual manifesto on the anniversary of the Bolshevik Revolution and indulged in a diatribe against the Japanese imperialists for "torturing China." None but Stalin's yes-men abroad take these manifestoes seriously any more. Tokyo, certainly, will attach more importance to Molotov's offer of a commercial treaty, possibly followed by a political pact signed over the body of ravished China.

With Britain and France, the United States and Soviet Russia all seeking "improved relations" with the Tokyo government, Japan, for the moment, is in an advantageous position and is obviously trying to play off one power against another. She will strike her bargain where the best terms are offered. And right now it looks as if Dictator Stalin has more to offer Japan than anyone else.

"Japanese Could Win 100% Against American Gum-Chewing Army"

A Japanese, Shigetsu Sasaki, writing in the October issue of the magazine *Nippon*, expressed the view that foreign troops would have no chance of winning and "would lose 100 out of 100 battles against the Japanese." He said, "Whether American Doughboy, English Tommy or French Poilu, if they fight with soldiers of the quality of our men, they would have no chance of winning and any gum-chewing army will lose ..."

Mr. Sasaki's comment appeared in connection with a criticism of a review of Ashihei Hino's book, "Wheat and Soldier," which has been translated into English and is sold in the United States. Hino, a professional writer and novelist, wrote the book in an attempt to offset the stories of atrocities commited in China by Japanese soldiers. The book was exploited as the production of a Japanese private soldier, and in a sense was regarded as a Japanese counterpart of "All Quiet on the Western Front."

Sasaki made no mention of the debacle on the Mongolian front where new-type Soviet tanks drove a wedge 25 miles deep into the Japanese lines and were responsible for a considerable portion of the 18,000 dead which the Japanese admitted on the Nomonhan front. It was this defeat which caused the Japanese Army to sign the truce with the Russian Reds, and also was responsible for statements (made privately) by Japanese army officers that "Japanese spirit alone was not sufficient to meet modern western soldiers and Japan had to have peace in order to build up her mechanical equipment."

Mr. Sasaki's belief that the Japanese army is invincible apparently was based upon victories achieved against the poorly armed, or practically unarmed and munitioned Chinese troops. In this connection he said, "The Chinese are not losing because they are weak," implying apparently that the Chinese were defeated because of the "superior spirit or unconquerability" of the Japanese soldiers.

Criticizing the statement that the Japanese are "blindly carried away by their traditional reverence for the Emperor," the Japanese writer said, "The Japanese cannot live the artificial life of Americans or other westerners. If you are the hand, I am the foot; if you are the ears, I am the eyes. The Japanese trace themselves back to one man, and lose themselves in him, the father of the race ... such devotion can never be called 'blind' .. Our perception is too exalted for Westerners, too confusing to their consciousness ... the Japanese, unlike Americans, make no display of lukewarm philanthropism ... Their souls are not made of such indifferent stuff."

Gandhi to Continue Fight For Independence of India

"I shall never give up my fight for complete independence for India until my death," Mahatma Gandhi, who is again taking an active part in the affairs of the Indian National Congress, told newspapermen at Nagpur on Oct. 31 while on his way to meet the Viceroy, Lord Linlithgow, for a discussion of Anglo-Indian differences, at New Delhi. This week it was reported that the discussions—conducted simultaneously with representatives of the Congress and the All-India Muslim League—had broken down.

In a statement issued after the breakdown of the talks, Gandhi said that the would resist a program of civil disobedience "unless

The Viceroy Indian Leader

Lord Linlithgow **Jawaharlal Nehru**

I find the country is prepared for that," adding that as regards non-cooperation "it has already begun with the resignation of Congress ministries." He charged Britain with utilizing communal differences to thwart India's aspirations. Congress, he said, would never be a party to communal quarrels. Rather, it would "stand aside, wander in the wilderness and wait for a better day."

The breakdown, rendered inevitable by Britain's refusal to consider the question of self-government for India until the war is ended and the insistence of Indian leaders that India's aid in the war was to be had only by the ending of Britain's imperialistic policy, was forecasted by Gandhi, before the talks started, when he stated that "the views of the Viceroy and ourselves are clear." He added, however, that he was going to New Delhi at the Vicerory's invitation and said that he would go there "a hundred times if invited."

Others participting in the abortive talks at New Delhi were Mr. Rajendra Prasad, president of the Indian National Congress, Pandit Jawaharlal Nehru, active leader of the Congress Party, and Mr. Mohammed Jinnah, president of the All-India Muslim League.

On Nov. 6 the India office in London issued a report on the abortive negotiations in the form of a statement by the Viceroy. The discussions, the statement said, revealed entire disagreement between the parties on fundamental issues. To this Lord Linlithgow added the statement that he was not prepared to accept this failure, but proposes to try again, in consultation with the leaders of the great parties and the Princes, to achieve unity.

Mr. Rajendra Prasad, in a letter to the Viceroy on Nov. 3, reiterated the impossibility of the Congress accepting the present British policy of postponing the independence question to the indefinite future, or of considering steps for cooperation with Britain unless the policy of the British Government is made clear in a declaration on lines suggested by the Congress.

New Peace Mediation Effort Looms as European War Threatens to Spread to Scandinavia

THIS week's most interesting European war news was not the happenings on the still remarkably quiet Western front, but the announcement of a peace mediation effort by King Leopold of the Belgians and Queen Wilhelmina of the Netherlands. What will come of it, no one can say at the moment, although there are grounds for believing that a basis for peace talks really exists. The Stalin-Hitler combination is the thing that is disturbing the Allied powers most these days, for it is realized that Soviet neutrality, as it is called, is one of Hitler's greatest assets and that it might possibly prove decisive in the eventual outcome of a protracted war.

Those who have followed recent events in Europe cannot have helped noticing that the big propaganda blasts against Nazi Germany have nearly all come out of England. France has been conspicuously—perhaps significantly—silent. The conclusion is permissible that the war is not very popular with the French people. Nor, judging by a story brought from London by *United Press* on Nov. 2, is it especially popular in England. Because of its indication of the extent of anti-war feeling in that country we quote the story in full:

"Prolonged applause from the galleries greeted a disabled former soldier appearing before the tribunal in support of his son, Jack Law's application for immunity from Army service as a conscientious objector yesterday. The former soldier described war as 'filthy and contemptible.' When the Judge cleared the galleries the applause turned to an uproar and shouts of 'Dictatorship! We want a fair deal! This should not be done behind closed doors.' The case was continued in the Judge's chambers."

Speaking in the House of Lords on Nov. 3, Lord Halifax, Britain's Foreign Secretary, declined to give any specific definition of the Allied war aims, but toward Nazi Germany he adopted a much softer tone than previously. After trying to make a distinction between a defeat for Germany and a victory for the Allies, Lord Halifax said that "the confidence which the German Government has destroyed must be repaired. They are the only people who can repair it." Should this be taken to mean that Britain has given up her original aim of "destroying Hitlerism?"

Meanwhile, the war is threatening to spread to the neutral Scandinavian countries. Finland continues to resist Soviet demands for a cession of Finnish territory near Leningrad and for the right to establish naval fortifications on Finnish islands near the approaches to Leningrad. Finnish troops are concentrated at the Soviet border and Red Army troops are facing them. Sweden and Norway are backing Finland and a showdown must be expected soon. Rumors are afloat that Stalin and Hitler have decided to divide between them the countries of Scandinavia. Still other rumors—from Allied propaganda sources, naturally—credit Hitler with a plan to invade neutral Holland in order to secure air bases from which to bomb England. He is said to have sent a special emissary to Brussels to inquire what Belgium's attitude would be in case of a German invasion of Holland.

At the same time, Stalin is said to be casting covetous eyes on Bessarabia, eastern Rumanian territory which in Tzarist days was an imperial Russian province. Rumania, however, is generally considered safe until Stalin has arrived at some sort of settlement with the Finns. If Rumania is invaded, further extension of the European war would seem to be inevitable. The Allied powers have commitments toward Rumania, while Turkey, by the recently-concluded mutual assistance pact with Britain and France, is bound to assist the latter if they move to make good on their promises to Rumania.

"Let's Call it a Day!"

Washington Post

Late last week the case of the s.s. *City of Flint*, American freighter, caused some acerbity between Nazi Germany and Norway. After being sent from the Soviet port of Murmansk with a German prize crew on board, the vessel entered Norwegian territorial waters where she was being escorted down the coast of Norway

by a Norwegian warship. On the pretext that one of the members of the imprisoned American crew was ill and needed medical attention, the German commander asked permission to anchor in the harbor of Haugesund. A Norwegian naval doctor went aboard, reportedly found the man was not in any serious condition, and refused permission for the vessel to anchor.

Despite this, the vessel did anchor. The Norwegian government promptly interned the German prize crew, released the *City of Flint* to the American crew, and the vessel left Norwegian waters, presumably bound for New York. The Norwegian government received a protest from Berlin. Oslo rejected the protest as unfounded.

Whether Berlin was genuinely indignant at the Norwegian action, or relieved by the termination of an wkward incident occasioned by the German seizure of the American vessel in the first place, was a matter of conjecture. The fact that the German prize commander anchored the vessel at Haugesund on instructions from Berlin, where it was known that the prize crew would be subject to internment and the vessel in all likelihood released, suggests that the German government deliberately chose this method of settling the affair.

Rumania Next?

The resources and geographical position of Rumania give the country a critical position in the European conflict. Its uncertain future is due, in considerable measure, to the fact that much of its territory formerly belonged to Russia, Austria-Hungary and Bulgaria.

American Writer Shows How Britain Failed to Aid Poland

BY SAMUEL GRAFTON

(New York Post)

THE British guaranteed the independent existence of Poland on March 31. On Sept. 1, the Nazis invaded Poland. In between there was a long, empty space of five months. What, if anything, did the British do to improve Poland's defenses against invasion during those five months?

The British gave Poland a guarantee, like a flower; the Poles pinned it on their vest, and that, apparently, is all that was done by way of blocking the Nazi march. So far as I can discover, not even trenches were dug at the border. A few British generals visited the country in July, looked around and discovered to their horror that the Poles were foreigners who spoke no English. They went home.

In midsummer, the British discussed giving Poland a loan of £5,000,000. That was the price the British put on saving civilization—$25,000,000. But the Poles didn't get the loan until too late, because the British Cabinet, with typical ineptness, bogged down in a furious dispute as to whether to compel the Poles to spend the money in England. Negotiations dragged on for weeks on this inspiring note, while the world burned merrily.

There were five months in which to plan a defense, but when the war came, apparently the only strategy that had been adopted was a joint prayer for rain. This it was agreed by all hands, would cripple the motorized Nazi army, which cannot proceed in mud. The British snickered as they thought of the Nazis trying to get through all that mud.

But the Nazis, like the bounders they are, refused to wait for the rain. They attacked swiftly and mercilessly, in the kind of good weather in which British statesmen go fishing. The guarantee of Poland turned out to be the kiss of death.

But there is this curious note: During the very period in which the Poles were pleading for $25,000,000 with which to make good a solemn pledge of the British Empire, Mr. Chamberlain's Under-secretary for Overseas Commerce, Mr. Hudson, was caught offering Herr Wohlthat, a Nazi, who happened to be in London waiting for a street car, five billion dollars as the price for a new settlement.

In other words, another Hitler promise was valued by Mr. Chamberlain at 200 times what it would have cost to give the Poles a few weapons with which to fight. The weapons were not given. Five months would have been sufficient to build up first, second and third lines of defense, to lay down roads for planned retreat, to set up adequate anti-aircraft batteries. Instead, the British relied upon their guarantee. They were going to stop Hitler by writing a letter to the *Times*.

On July 17, while Gen. Ironsides was still in Warsaw, looking at the Poles with a pained expression, the Polish army appealed to Britain for a demonstration flight of British bombers to Poland. The flight was not made. It was considered that this might irritate Hitler. The British didn't want to do that for fear Hitler might get so mad he wouldn't take their money.

During all this time, there was a lot of monkey talk in the British press about Poland's army of 4,000,000 trained men, an army "adapted to the peculiar problems of Polish defense." This could not have fooled any soldier in Europe above the rank of idiot.

It was well known that the Polish army lacked pants, let alone guns. G. E. R. Gedye, in his "Betrayal in Central Europe," has told the story of the grab of Teschen from Czecho-Slovakia by the Polish army during the Hitler partition. The brilliant, fully equipped Czech battalions in Teschen were ordered to withdraw and let the Poles in. They withdrew and waited. To their surprise, they saw what seemed to be a mob of civilians in patched clothes and clumsy greatcoats, carrying squirrel guns, moving into the disputed area.

It was the Polish army, as poverty-stricken as Poland herself. The Czech soldiers wept as they saw these tattered knights, who could have been slaughtered with a single burst of machine-gun fire, overrun their land. It was upon this desperately poor, if desperately brave, army that the great British Empire placed the job of saving civilization.

Is it any wonder that the Nazis, looking upon these phenomena with their wise and dirty little smiles, never believed for a moment that the British intended to fight?

Polish Population Destitute, Men Forced to Work for Nazis

Reports from Berlin, carried by the official Japanese *Domei* news service this week, stating that the German Nazis have forced 600,000 Polish soldiers and civilians to join forced labor gangs, were confirmed in first hand accounts of desperate conditions in Poland written by American newspaper correspondents who were present in the unfortunate country at the time of the Nazi occupation.

The Japanese report (Nov. 7) said that between 20 and 40 per cent of German farm and shop laborers have been conscripted, but their places have been taken by forced laborers brought into Germany under armed guards from Poland. The Japanese report concluded with the statement that the Nazi Government was promoting concerts and dances to keep the workers contented and Dr. Robert Ley, leader of the Labor Front, was visiting plants and listening to complaints of workers.

American correspondents in Poland, in dispatches to their papers, and in private letters to friends, told of conditions so desperate that a large portion of the population was forced to wander about aimlessly searching for new homes in place of those destroyed in the German bombing raids and military invasion, thus describing conditions similar to those in areas of China which have been overrun by Japanese troops or visited by squadrons of Japanese bombers.

One correspondent, writing from Bucharest, which he had reached after a perilous trip over bombed and congested roads in a broken down automobile from the town of Lwow, said, "Ahead of us on the far horizon we saw flames lighting up the entire countryside . . . . so extensive that we first thought it was a forest fire, but the Polish lads with us declared it was the next 'dorf' and soon we met peasant carts and the drivers yelled, 'The Germans have bombed Tomaszow-Lubelski,' which is about half way between Lublin and Lwow.

"We realized later that the German planes we had seen throughout the day had been bombing Polish towns and cities throughout the industrial area, attempting to smash communications and any activities that would be of any aid to the Polish army in offering resistance. Before us half of the town of 2,000 population was burning . . . two square blocks of business buildings were burning fiercely, the upper floors still a blazing skeleton . . . . beyond at least 200 houses were in flames while the people dashed about saving what they could and throwing buckets of water on nearby houses trying to save them or just standing weeping and wringing their hands . . . . We got the story from a weeping Jewish woman who stood on the edge of the inferno looking at what remained of her home in the ashes. Thirty were killed, many wounded and the villagers feared many more dead or injured were in the flames.

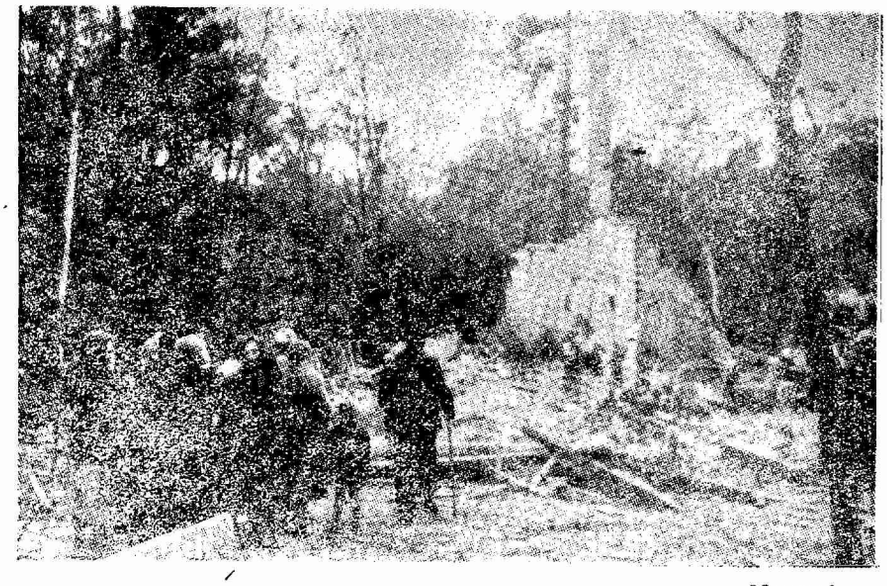
"We counted 44 stone chimneys standing stark in the ashes (all Polish houses are built around their fireplaces and chimneys) and we knew there were many more in the distance. Between her sobs the woman told her story . . . . It was market day and in these towns the peasants from the surrounding countryside had gathered to do their week's trading . . . . suddenly they heard a hum in the beautiful September sky and then suddenly nine German bombers swooped down and as everybody ran for cover, dropped eight incendiary bombs and a larger number of smaller bombs . . . . Terrific explosions, and houses bursting into flames, and the peasants and villagers ran for the open country. The Germans came down so low they could be seen leaning out of the planes to see what damage they had done . . . . They all told substantially the same story—the village policeman, a peasant in a long v-shaped cart, old orthodox Jews, bearded and wearing skull-caps . . . . There weren't more than a half dozen soldiers in the town and there were no factories of any kind, no anti-aircraft or other guns, in fact nothing that could have made these villages a military objective. . . We could only assume that the Germans had bombed it in the belief that it had military significance, or that it was a deliberate attempt to demoralize the population far behind the lines . . . . there was certainly no other excuse for bombing what was beyond all doubt an unfortified, undefended town far behind the battle lines."

The correspondent then described trips along roads so congested with terrorized humanity that it was necessary to creep along in their decrepit car. When they reached the town of Lwow they found the hotel so crowded with people sleeping on chairs and on the floor that it was impossible to walk about . . . . "This city of 350,000 was pitch dark—because it had been bombed once—(and has since been bombed several times). . . . The beautiful Ukraine countryside was colorful with golden corn and pumpkins and golden sunflowers among which peasants were still working, seemingly unmindful of the war which was sweeping Europe and soon was to engulf them."

Aside from reports in the official Soviet *Tass* news agency telling of the "nationalization" of private property, there has been little news of conditions in the Soviet-occupied portion of Poland. *Havas* messages have told of Stalin's plans to garrison and fortify his portion of the stolen territory.

Another *Havas* message (Oct. 31) stated that between one-third and one-half of the population of the unfortunate nation is wandering about aimlessly in a destitute state . . . . "naturally the people are displaying fierce hatred of the Germans." Other reports have told of Hitler's plan to establish a vast concentration camp in central Poland for Jews driven from their homes in Nazi-occupied territory including Poland, Austria, Czechoslovakia as well as Germany.

Poland Now Resembles Devastated China



Newsweek

Polish peasants weeping before the ruins of their homes destroyed by Nazi bombers in the fashion of Japanese Army and Navy bombers operating over undefended towns and villages of interior China.

You Pays Your Money and You Takes Your Choice

IF you should happen to be a reader of Stalin's Moscow organs, such as *Pravda* and *Izvestia*, you will almost daily be regaled with heated denunciations of the imperialistic Allies for continuing the war against Germany. If you have read Molotov's recent speech to the Soviet "Parliament," you will remember how this mouthpiece of the Kremlin dictator declaimed against the British justification of the war as a campaign to "end Hitlerism." It was a crime, the Foreign Commissar complained, to conduct such a thing as an "ideological" war in this advanced day and age, for that would represent a throw-back to medieval times when the Crusades and religious wars were the order of the day.

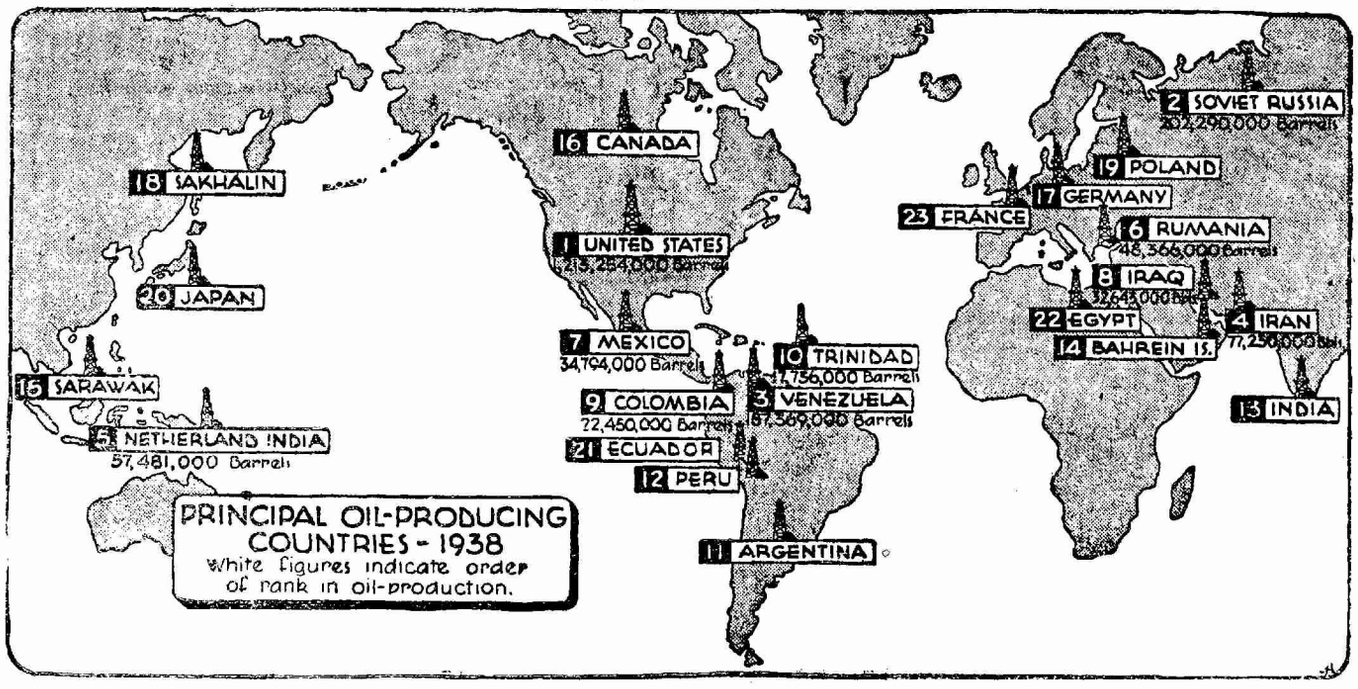
But if you read the publications of Stalin's press abroad, you will find Stalin's agents virtually denouncing Stalin in order to keep their bewildered followers in line. Thus *World News and Views*, Comintern publication put out in London and previously known as the *International Press Correspondence*, had an article by J. R. Campbell, British Communist Party leader, in its issue of Sept. 16, just received in Shanghai. "British People Reject Nazi Peace," is the bold caption over the article, in which we read the following:

> "The mood of the British people is simple and clear. It is necessary, in their opinion, to finish with Hitlerism once and for all. They are not prepared to live through a prolonged period of wars and threats of war. Now that war has broken out they are prepared to 'see it through' till the end."

That, of course, was said on Sept. 16 and Molotov has made at least two speeches since then. We shall have to wait and see whether the British "Communists" have continued adhering to the Chamberlain line, or whether they have dressed back into the Kremlin line.

Meanwhile an interesting example of the kind of double-dealing and double-bookkeeping which Stalin and his foreign agents go in for is furnished in the latest (Oct. 7) issue of the New York *Nation* to arrive here. The liberal weekly reports that Lawrence Todd, Washington correspondent for the *Tass* (Soviet) news agency,

Where the World's Mighty Military Machines Get Their Oil



New York Times

attended a private gathering in the American capital at which he explained the Soviet-German pact as merely a momentary maneuver, with Stalin prepared to turn on Hitler at the earliest opportunity. Comments the *Nation*: "Todd didn't know that one of the guests was a correspondent for the *Workers' Age*, an anti-Stalinist organ, which promptly and undiplomatically published the story."

Todd's idea was also expressed by Genevieve Tabouis, famous French woman journalist in the *New Republic* (New York) of Oct. 11. Stalin, she wrote, "decided to give his aid to the Fuehrer, hoping to lead him into a war in which Stalin had deliberately planned to betray him."

Cabinet Officer Warns Against "Provoking the People"

That the Chinese and foreign residents of China are not the only sufferers because of incivilities of Japanese soldiers, was indicated in a statement of the Japanese Home Minister, Mr. Ohara, who also holds the post of the Minister of Public Welfare, at a conference with officials of his departments late in October. He declared that the charge of unkindness and lack of civility had often been imputed to city, town and village officials, who came into daily contact with the people. He said that it was essential, particularly in the present time of crisis, that Government officials should be kind in their attitude toward the people with whom they came in contact. They must be the people's friends and "not adopt any peremptory attitude toward them.". In concluding his talk, Mr. Ohara expressed the hope that all Government officials "would take special care not to behave in a manner likely to provoke the people".

Report Shows War Damage to Institution for Chinese Blind

The Institution for the Chinese Blind, located on Hungjao Road, a short distance from the border of the International Settlement and French Concession, was struck by 33 artillery shells while 50 other shells made craters in the grounds of the school, according to a report dealing with the condition of the Institution issued this week by Dr. George B. Fryer, director. Despite the bombing to which the school buildings and walls were subjected, the damage could easily have been repaired, had it not been for the occupation of the property by Japanese troops, following the hostilities. According to Dr. Fryer's report the soldiers did more damage to the property than the previous artillery shelling. Fortunately the blind children, students in the school, had all been removed to the Settlement a few days prior to the Japanese occupation of that section of the city. Dr. Fryer stated his expectation of returning to the school premises shortly. Since the evacuation in 1938 the students have been quartered in the premises of the China Inland Mission and St. Luke's Hospital.

MOSCOW TO LEAD IN RECOGNIZING WANG CHING-WEI GOVERNMENT?

Apart from Japan, the Soviet Union will be the first to recognize the new central China government to be organized by Wang Ching-wei, the Tokyo *Hochi Shimbun* predicted Nov. 8 in an editorial on Soviet-Japanese relations in the course of which the paper advocated conclusion of a non-aggression pact with Moscow. Soviet recognition of Wang Ching-wei's future government, the journal said, would be conditional upon an understanding with Japan regarding the Sovietization of northwestern China.

American Engineers to Aid In Erecting Japanese Steel Dill

Three American engineers, William Colwell, W. H. Goodberlet and Ralph Droughard, sailed from San Francisco on the Asama Maru on Nov. 5, for Japan, where they will assist the Japanese in installing a complete steel rolling mill which the Japanese purchased at Wooster, Ohio. A complete report of the deal whereby Shibaura Engineering Works of Tokyo acquired the abandoned steel mill at Wooster, Ohio, previously belonging to United Engineering and Foundry Company of Pittsburgh, appeared in *The Review* on June 10, Page 39. It was frankly announced at the time of the consummation of the deal that the purpose was to enable the Japanese to withstand economic pressure in the event of the enforcement of an economic boycott against Japan. The Americans responsible for negotiating the deal were George Tallman Ladd and Charles Muchnic, both long interested in industrial development in Japan.

Effects of the European War on Shanghai's Trade and Commerce

BY JULIUS R. KAIM

SHANGHAI firms that had hoped for a war-boom on the Chinese market have been sadly disappointed. They had not only expected an increase in prices of foreign special brands, but also of all kinds of commodities of daily use. The contrary happened. Some of these commodities, such as coffee, beer, sugar, butter, became cheaper since the outbreak of the European war. Some firms held back their stocks of foreign specialties, hoping for an increase of 100 per cent and even more. Up to the end of October, however, developments proved that only a few branches enjoyed something of a boom, while many firms were obliged to give up the idea of witholding their stocks.

Domestic goods, also, did not increase in price as some speculators and many anxious consumers had anticipated. It is, however, a fact that most local manufacturers did not reduce the prices they had increased during the summer months. The reason for that increase had been the drop of the Chinese dollar. When the Chinese currency rose in October, however, the prices did not decrease although it might be difficult to prove that the prices of the raw materials used in their manufacture had risen since the outbreak of the European hostilities.

Prices Kept Up

On the other hand the prices of some domestic goods such as hosiery, shirts, local made cigarettes, etc., which had been expected to rise, have not been changed. Domestic foodstuffs, apart from goods which depend on the season, did not increase in price since the end of August, as for instance vegetables, meat, oil. One of the exceptions was milk, the increase in the price of which influenced the prices of some domestic industrial products such as chocolate.

Contrary to what the speculators had expected with reference to imports, many ready-made articles arrived from England and France and some German goods are expected to be forwarded via Siberia. Up to the time of writing, however, Russia does not seem interested in facilitating German exports via Siberia. The fees demanded by the railway administration are high and no special discounts have been made for German firms. Indications are that Russia even tries to make it more difficult for the German exporters, for several firms were informed that the Siberian railway is highly occupied with the transport of Russian materials, commercial as well as military. Nevertheless, some German tools, colors, pharmaceutical goods and other less voluminous articles may be forwarded via Russia. Germany, as a matter of course, is highly interested in Far Eastern business because of the closing of most of the other overseas markets where her goods could be sold against cash.

Local Manufacture Stimulated

The prices of several German specialities, indeed, increased in Shanghai by more than 80% since the outbreak of the war. Some pharmaceutical goods, the prices of which had been fixed on a gold basis during the summer, were held back in September, and the retail prices increased in such a way that during two weeks some articles were sold at prices four or five times greater than the original normal retail prices in Europe. This fact encouraged some local firms to increase their production and to start manufacturing specialties of German character. It is, however, still a question whether the local firms, Chinese or foreign, will be able to get the chemical materials necessary for their production.

When the Chinese currency advanced during October, the firms reduced their "increased list prices" and taking into consideration all exchange fluctuations the following *average* increases obtained at the beginning of November; German specialities increased 25%, American 3%, British and Australian 5-10%, French 10%, some Swiss articles 11%. This shows that due to the rise of the Chinese currency all speculations on double or even triple prices of pharmaceutical specialties have failed up to now. Some local producers were rather disappointed because of this unexpected development.

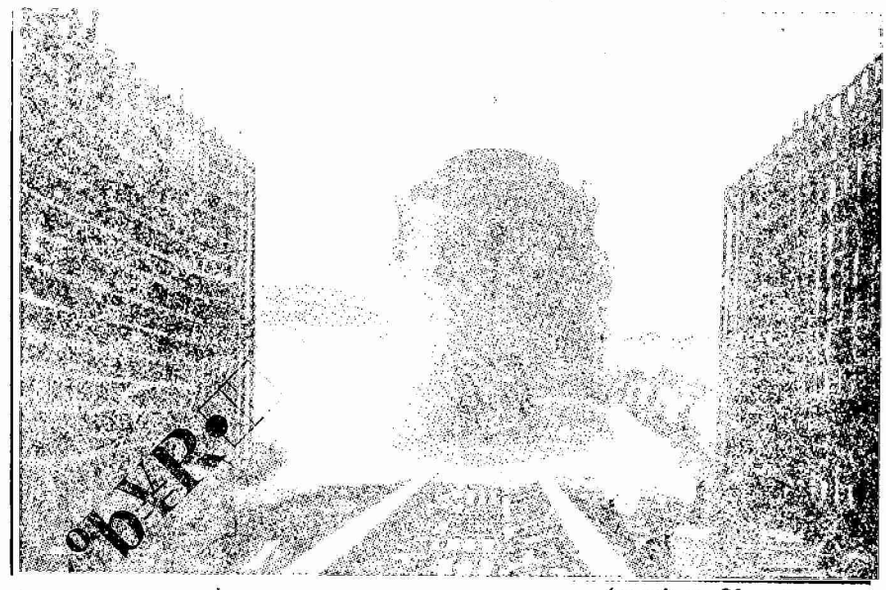
German colors, which totalled approximately 75% of the Chinese aniline color imports, are still available. Though prices have increased almost 50%, many local textile mills are in no hurry to purchase large quantities of dyeing materials. The fact is that owing to the new situation in the world market of raw materials, it is feared that Chinese industry may have difficulties in obtaining the necessary quantities of fiber materials. While cotton is still available in America, the purchase of Australian wool has become difficult due to the new export regulations issued by the Australian Government. The import of rayon from countries other than Japan is also expected to become more difficult after some time, for the Italian industry is said to be over-occupied and the German and Dutch trusts are, more or less, out of the picture.

Canned Goods Speculation

Businessmen also speculated on imported preserved foodstuffs, and on brewing materials, but failed in both cases. At the moment large stocks of canned goods are still at the disposal of local firms and judging by the foreign trade statistics one can easily see that the share of those European powers who are not involved in the war, has always been a modest one in comparison with the combined imports of the United States, Australia, Italy and Switzerland. Apart from Japan, those countries are the most important sellers of canned goods and will probably be able to ship goods even in time of war. Regarding brewing materials, some difficulty with reference to the purchase of hops is really expected, but on the other hand, the turnover of the breweries is believed to be a diminishing one, and the stocks seem to be still large.

All goods formerly bought from firms in Europe which are now engaged in the manufacturing of war materials will become rarities in the local market. There are already signs of this shortage in such articles as special electric appliances, motor

First in 24 Years



American Observer

The Sea Arrow, first large commercial ship to be launched on the Pacific Coast of the United States in 24 years. The vessel will be used for combination passenger and freight service on the Pacific. It will cost, when completed, about U.S.$3,000,000.

parts, mechanical tools, as well as in some textiles like wool and cotton yarns, which had been imported from Germany and France. Wholesale importers and department stores, therefore, looked for new sources for their purchases, but discovered that many shipping firms abroad seemed not very eager to find new customers. American, Italian and Swiss firms, which a few months ago had offered goods under normal conditions, but at prices considered too high, now claimed credits in New York and Europe and were in some cases unable to guarantee delivery. That happened even with factories producing such harmless articles as special fashion silks, home machinery, watches, etc.

The reason was that some of these factories found new customers in countries which, with reference to shipment conditions, are better situated than the Far East. They were eager to substitute German goods in countries where they saw better chances for future business while other firms —for instance some of the manufacturers of home machinery—are already on the way to change the character of their production.

Higher Export Prices

On the other hand, many Chinese exporters seemed to have formed the view that now they had not only the right but the duty to demand higher prices. Local exporters, received letters and telegrams of inquiry from Egypt, Syria, Palestine and the Dutch Indies, countries with which they had never dealt before.

There is, of course, a fear of shortage of some materials in those countries and when the importers learned that there was no more hope for a rapid termination of the war, they were interested in finding substitutes for some articles they used to buy in Europe.

It seems, however, that local exporters thought that the interested firms would be eager to buy at any prices, and thus sometimes rather ridiculous offers were made. In some cases, the f.o.b. prices which were demanded by local mills were higher than the retail prices for the same goods in Shanghai shops. C.i.f. prices were mostly not to be had and a credit opened at a Shanghai bank was the first condition. In consequence of these quotations, most of the local exporters were unable to secure new business relations with foreign countries and could not make use of the chances offered them by the European war. According to local information, those new inquiries referred to shirts, woollen yarns, toys, brushes and ordinary metal goods.

Customs Reports Misleading

Up to now, it is impossible to form an exact view with reference to the question how much the foreign trade of Shanghai has already been influenced by the European war. The question, naturally, is of the highest interest for Shanghai economic circles, and for their commercial relations abroad. Therefore, it is comprehensible why some observers drew their conclusions on the basis of the provisional figures published in the Maritime Customs reports. It cannot, however, be recommended to draw conclusions from those figures, even after changing them into Gold Units or open market dollars. The fluctuations of the Chinese currency and of the pound sterling make it impossible to get a clear picture of the situation and therefore it is better to consider not the value but the quantity of each imported item. Most of the goods which arrived in September and many of those which arrived in October had been ordered before the outbreak of the European hostilities and not all prices, naturally, had been influenced by the new political development. Thus, in order to form a better view of Shanghai's new export-import situation, we have to wait until official quantity figures are published.

Japan Will Gain

The further development, of course, cannot be forecasted and will also depend upon the outcome of the Sino-Japanese conflict. Nevertheless, whatever may happen it seems sure that Japanese industry will be the one to profit most by the situation. Up to now the articles which Japan will most probably be able to ship in even larger quantities than before are textiles, canned goods, office materials, aniline colors, staple fibers and cheap cutlery.

On the other hand, it seems likely that if local factories will be able to engineer the purchase of the necessary raw materials their sales will increase in the domestic markets as well as in the export business. The best chances, so far, are said to lie with the producers of pharmaceutical goods, cosmetic specialties, woollen yarn, toilet articles, silks, and canned goods.

Boarding of the Bolivar Protested by Mr. Gauss

Mr. C. E. Gauss, American Consul-General in Shanghai, is reported to have lodged a strong protest with the local Japanese authorities against the boarding of the s.s. Bolivar, Panamanian vessel, and seizure and detention of the Chinese second officer of the ship by "Ta Tao" police on Oct. 28. The protest, it is understood, was made on behalf of the government of Panama.

"Special Municipality" police of Mayor Fu Siao-en's administration, accompanied by a Korean adviser, boarded the vessel while she was berthed at the Mitsui Bussan Kaisha upper wharf. They seized both the second and third officers. The latter was released after being held for two days, but the second officer was still under detention early this week at the Tungchong Road police station in Pootung.

Pretext for the boarding of the vessel was the assertion that the vessel was the property of the Bank of Communications through mortgage. Originally the vessel was Chinese property, but was sold to Wallem & Company of Hongkong in August, 1937, when the Sino-Japanese hostilities broke out, since when she has been flying the Panamanian flag.

The boarding of the s.s. Bolivar was the first time that "Ta Tao" police extended their activities to shipping on the Whangpoo.

New University to Commemorate Martyr

ON the 22nd of October, in the 28th year of the Republic of China, was inauguarated at Tseuchow, Chekiang, a new educational institution known as Ying-Shi University consisting of three Colleges, namely, the College of Engineering, the College of Agriculture and the College of Medicine. It is a university brought forth by the efforts of Commissioner of Education Shu Zao Dee, Commissioner of Finance Hwang Tsu Pei, Special Commissioner Tsen-Chao Tsao and other authorities to establish in this province a higher seat of learning, primarily for students deprived of educational opportunities in the war-afflicted areas and, ultimately, for training up experts to carry on rehabilitation work in the country upon termination of the Sino-Japanese hostilities. Their recommendations and plans for organization of the university met with unanimous approbation in the Ministry of Education and were commended by General Chiang Kai-shek as being most opportune.

It is named Ying-Shi University, because it is dedicated to the memory of General Chen Ying-shi, a pioneer leader of the Kuomintang and a revolutionary patriot, who died a tragic death in Shanghai twenty-eight years ago at the hands of two military assassins detailed by Yuan Shi-kai, who was then in power. This university is therefore intended to perpetuate his reforming spirit by presenting to the students his personality upon which they may model themselves; translating his ideals into action through them, and finally bringing them to a successful issue.

Committee System Installed

Governor Huang Shao-hsiung and the other provincial officials in helping forward the cause, have appropriated some three hundred thousand dollars for the annual budget of the university with prospects of additional allotments from time to time as the university grows. At present, it is managed under a committee system, with Commissioner Shu Zao Dee as chairman, Special Commissioner Tsen-Cha Tsao as dean of the College of Engineering, Mr. Mo Ting-sen and Dr. Huang Chi-ren as deans of the other two colleges.

The first entrance examination was given simultaneously at Kinhwa, Ningpo, Linghai, Wenchow and Lishui on August 10 last, more than seven hundred students participating. The two hundred sudents who passed the examination are now being matriculated in the university. Many of them come from the devastated provinces, where there is no education to talk of.

Now the school has commenced, teachers and students have started work in their respective colleges, but all are inbued with the one spirit, that of General Chen Ying-shi, whose name shall forever remain green with the university in the minds of the nation.

H. C. H.

Lishui, Chekiang, October 28, 1939

The History and Status of Trans-Pacific Aviation

(*Foreign Affairs*)

PROGRESS in establishing air services across the Pacific has been slow. Except for a few enthusiasts, those interested in civilian aviation after the World War, both here and abroad, did not feel the same urge to explore the Pacific as they had to experiment with trans-Atlantic flights. The younger generation, in whose hands lay the development of civil aviation, conceived of foreign relations primarily in terms of intercourse between America and Europe. And there were no Northcliffes or Orteigs to offer prizes for flights across the Pacific. In 1921 air mail service had been put into operation between New York and San Francisco, and in 1929 the Dutch had opened a mail line from Amsterdam to the East Indies. But only in 1935 did a regular air service span the great 10,000 mile gap between. Even now, the aërial development of the Pacific area as a whole is still in a tentative stage.

Until recently American interest in the Pacific was largely confined to the Army and Navy. They had long been concerned with the strategy of that ocean and with the balance of power in China. Both evinced a desire to operate aircraft in the Pacific area at an early date, but were frustrated by the enormous distances and by the airplane's limited technical capacity. The problem of Pacific flying was, and remains, the problem of finding a route.

Prove Pacific Could be Flown

The first trans-Pacific route to be flown was a detour. After the World War the late General William Mitchell began to urge the possibility of skirting both the Pacific and the Atlantic by their Arctic fringes, and to proclaim the dangers of an aërial invasion of America by those routes, especially by the Arctic stepping-stones from the Orient. A desire to test these Arctic routes played a large part in the Army's plans for its flight around the world in 1924. The successful completion of this flight served to show that the Pacific *could* be flown with no single jump of more than 800 miles in length; but the weather conditions in the Aleutian area and north of Japan were so appalling, even in summer, as to give little encouragement for the establishment of regular operations there.

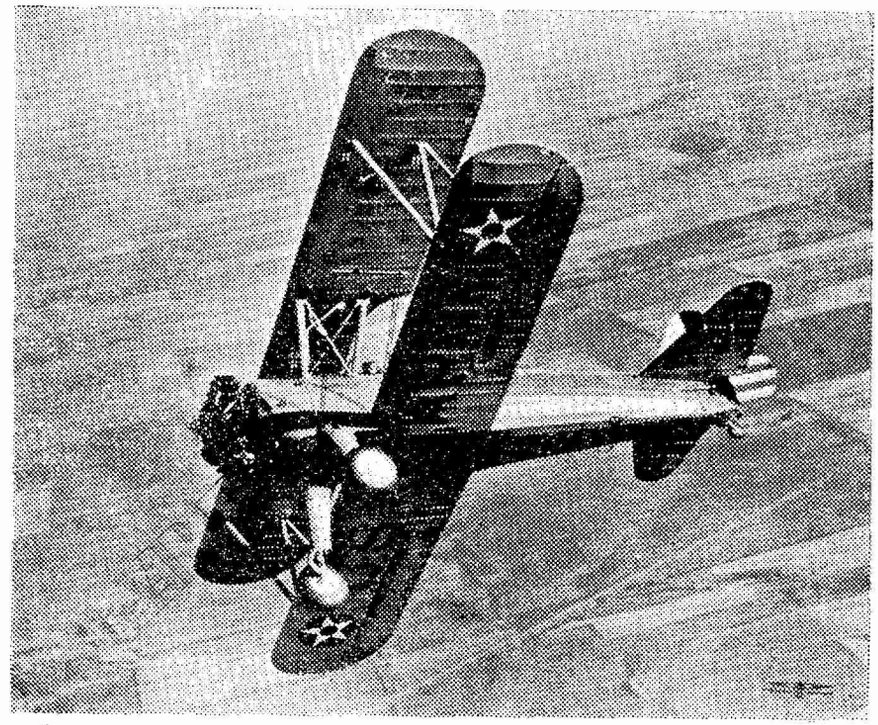
The respective rôles of the Army and Navy in the aërial defense of American coastal areas were at that time ill-defined. Indeed, this is still the case to some extent. The rivalry between the two services made each eager to be first to fly from the mainland to Honolulu. The Navy's bid was made in the late summer of 1925, when the late Commander John Rodgers and a crew of four took off in a flying boat from San Francisco. But they ran out of fuel short of their destination, were forced to alight on the water, and only managed to reach the island of Kauai, by drifting and improvised sailing, nine days after they had been given up for lost. The Army's attempt was made in June 1927, and succeeded. In a three-engined landplane, Lieutenants Maitland and Hegenberger flew from San Francisco to the Army field near Honolulu.

This feat, duplicated three times by the end of August 1927, excited great public interest; but it had no immediate commercial results, for the airplane was not yet ready to cross either the Atlantic or the Pacific with reasonable regularity in both directions. All the early flights — which were *from* the continent *to* Hawaii—were made on the down-hill slope, meteorologically speaking, since they had the trade winds on their tail; the planes never returned to the mainland under their own power. The first trans-Pacific flight directly suggestive of commercial possibilities drew upon the immensely longer cruising range of the rigid airship: when Dr. Eckener took the *Graf Zeppelin* around the world in 1929, he flew non-stop from Tokyo to Los Angeles.

Hilo Facilities Unsatisfactory

There is no practicable North Pacific air route that does not include a stop in the Hawaiian Islands. The distance from Honolulu to San Francisco is 2,400 statute miles. From Hilo, on the volcano-island of Hawaii, it is a little less; but the harbor facilities at Hilo are unsatisfactory for the departure of heavily-loaded seaplanes. The distance from Honolulu to the mainland is within the commercial capacity of existing seaplanes, but it leaves little reserve for extra range or for payload. The present Pan American Clippers, with a gross weight of over 80,000 pounds, carry a maximum of 25 passengers and 1,000 pounds of mail between California and Hawaii; on the shorter hops to the west of Honolulu they can handle much larger loads. Thus the Hawaiian Islands have an importance in oceanic air transport hardly equalled by any other single spot upon the earth's surface.

U. S. Army Training Plane



It is in planes such as this, a Stearman PT-13A, that fledgling U. S. Army pilots receive their primary training at the Air Corps Training Center, Randolph Field, Texas. The War Department in Washington recently announced the award of a $2,843,405 contract to the Stearman Aircraft Division of the Boeing Airplane Company for a fleet of these biplane trainers.

The North Atlantic can be crossed from Canada to the British Isles without stopping on non-British territory; it can also be crossed from the United States to France or Portugal, either by way of the Azores or direct, without touching British soil. The South Atlantic permits non-stop passage from Brazil to the African possessions of at least three European Powers. But in crossing the North Pacific by plane no feasible way to avoid Hawaii has been found except at the price of dealing with the Arctic climate, difficult at all seasons and a virtually impassable barrier at some. Even so, a plane could avoid American territory only by flying from Canada to Russia either to the south of the Aleutian Islands or to the north of Alaska—almost impossible projects by reason both of distance and of weather. Further south, however, there is an alternative route which so far has been left entirely undevel-

oped. It would be possible to fly from a point on the Pacific coast of Mexico or Central America to Clipperton Island. Clipperton is an atoll under French sovereignty 780 miles from Mexico and 2,000 miles due west of the Panama Canal. It is separated from the Marquesas group (also French) by a distance almost exactly equalling that from Honolulu to San Francisco.

To the west of Honolulu (or of the Marquesas) the selection of landing places would present no problem if the question of nationality could be disregarded. Reefs, atolls and volcanic rocks rise in unnumbered thousands along a broad arc sweeping from the Japanese Islands southward and eastward to the Tuamotus. A circle drawn with Honolulu as the center and with a radius of 2,350 miles touches no land to the east or north. To the south and west, however, it encloses a large number of islands—half a dozen between Kingman Reef and Jarvis, the entire Phoenix group, scattered islands of the Ratak chain in the Marshall Islands, Wake Island and the outlying members of the Hawaiian group out to Midway.

Three Classes of Islands

Considered from the aviation point of view, the innumerable islands of the Southern and Western Pacific fall into three classes. There are atolls that offer a reasonably sheltered lagoon for seaplane operations; there are "solid" islands of sufficiently firm and level surface to allow the preparation of runways for landplanes; and there are rocks too precipitous and reefs too open to the sea, or enclosing lagoons too small or too thickly strewn with coral heads, to be of any aëronautical use. Islands large enough to have genuine harbors permitting a seaplane take-off are quite exceptional. Though a number of them have harbors of a sort, they all — with the exception of Pearl Harbor on Oahu — are too open in one direction and too small to be really satisfactory for seaplane purposes. They would be even worse were it not for the almost perfect constancy of the trade winds and for the fact that most of the harbors lie to leeward.

The time will no doubt come when the perfection of aircraft engineering and aërial navigation will render it practicable to fly across 2,000 miles, and more, of open water in machines capable of making a safe landing only on solid ground. One school of aëronautical opinion holds that this time has already come. But the majority of the experts maintain that passenger-carrying oceanic operations by landplane still lie some years ahead. The first true trans-Pacific flight made in temperate latitudes in a landplane was that by Sir Charles Kingsford-Smith, who in 1928 flew from California to Australia by way of the Hawaiian and Fiji Islands. This route is still available, with an alternative stopping place on Howland Island. Miss Earthart was to have been the first pilot to land on Howland: the runways which were prepared for her still await the first aërial voyager.

Advantage of Seaplanes

Quite aside from questions of safety, in the Pacific the advantage remains with the seaplane. The harbors there do not have the ice problem which vexes operations in the North Atlantic, and the atolls are well distributed. On the central Pacific route now followed by the Pan American Clippers the seaplane is indispensable. On this route either Midway or Wake must be used if flight from the United States to Japan or the Philippines is to be reasonably direct and at the same time keep to the south of the Aleutians. On Midway it might not be impossible to build a landplane runway a mile in length. On Wake, however, the construction of a runway to face the prevailing and virtually omnipresent wind is absolutely out of the question. Since the distance from Midway to Guam, without a stop at Wake, is slightly longer than that from San Francisco to Honolulu, the difficulties of landplane operations on this route are readily seen. On the other hand, both Midway and Wake are almost ideally designed by nature for seaplane activity. Also feasible for seaplane bases, though not ideal, are Kingman Reef, 1,100 miles south of Honolulu, Christmas Island near Kingman, and most of the Phoenix Islands, 500 miles farther on to the south and west.

For the moment, the central route is the only one in full commercial exploitation. Each week the seaplanes of Pan American Airways depart from San Francisco for Honolulu, Midway, Wake, Guam, Manila, Macao and Hong Kong. At Hong Kong they make connection with British and French lines running to Singapore and to Indo-China, respectively, where they join lines from Europe. Connections are also made at Hong Kong with lines going into the interior of China — to Chungking and other points under the control of Chiang Kai-shek. Flying into the interior is done at night, and both schedule and route are constantly changed in order to avoid Japanese pursuit planes.

Pan American's service from Honolulu to New Zealand by way of Kingman Reef and American Samoa, which was experimentally operated more than a year ago, was kept from commercial exploitation only by a shortage of suitable seaplane equipment. That company's present project for operations to New Zealand contemplates a different route. Kingman Reef and Samoa having been found somewhat unsatisfactory technically, the new plan is to use Canton Island and French New Caledonia as the intermediate fueling points. The *California Clipper* completed its survey flight via Canton Island August 30 of this year; and Pan American has requested an appropriation to enable it to carry the mails regularly by that route, putting Auckland within four days of San Francisco.

From a commercial and technological point of view the line across the center of the Pacific might be supplemented by a right-angle spur from Guam to Tokyo. But flights along that route would pass over the Marianas and Bonin archipelagoes from which Japan tries rigorously to exclude foreigners. For purely commercial reasons we also might reasonably expect to see operations opened from the Dutch East Indies, French Indo-China and Japan to the Philippines.

Far-Sighted American Officials

Two historical facts have an important bearing on the present outlook for trans-Pacific aviation. The first is the extraordinary prescience shown by various American naval officers and by officials at Washington. They acted forty years ago as though they foresaw not only the coming of the airplane, but its present technical limitations. The second is the bland indifference assumed by officials in many foreign countries towards possible repercussions of aviation in the Pacific up until five years ago, when the sudden appearance of commercial airplanes over that ocean stirred up a furious burst of claim and counter-claim.

The United States owes to the farsightedness of its officials, before and during the Spanish-American War, its present ability to operate a trans-Pacific airline without touching any non-American soil this side of the quasi-American Philippine Commonwealth. Had it not been for the readiness of the American people to acquire overseas territories at the turn of the century, and had it not been for the watchfulness of the American Navy at an even earlier date, it would have been impossible for Pan American Airways, by a few swift strokes, to convert deserted strips of coral into flourishing ports of call. The inauguration of trans-Pacific air services would have been held up by the same sort of protracted and cautious international negotiation that so delayed the development of trans-Atlantic air transport. Midway was acquired in 1867, the Hawaiian group and Guam in 1898, and Wake in 1899. In each case the motive for annexation may be described as naval. However, only Hawaii and Guam were ever endowed with real naval establishments; the attempt to locate a base at Midway was abortive, while Wake lay almost entirely neglected, receiving visits from naval vessels only very casually and at intervals of several years.

The Awakening of 1935

In 1935 came a sudden awakening of interest in the aërial possibilities of islands which theretofore were regarded merely as menaces to navigation. This interest served to draw attention to the very slender basis for the claims to sovereignty over many of these islands. In many cases, sovereignty by one Power had been allowed to acquire the sanction of time merely through the failure of other Powers to push counter-claims. Attention was drawn in particular to the tenuous nature of certain claims to whole archipelagoes in which islands often were separated from one another by a hundred miles or more and lacked formal occupation or government of any sort.

Take, for example, the recently celebrated cases of Howland, Baker, Jarvis, Canton and Enderbury Islands. The classic study on American geographical discoveries in the Pacific by Mr. Boggs of the Department of

State* lists all of those islands except Canton as having been explored by Americans before 1876. Further, these islands, then collectively known as American Polynesia, were in some cases supplied with American governors and in general were recognized as American territory in European Atlases. However, the guano operations that took the first settlers there were later abandoned and the islands themselves were vacated. In the course of time whatever recognition British official opinion had once given to American possession was forgotten and British maps began to show the islands as British territory. Consequently, the announcement of actual American colonization in 1935 occasioned indignation in the British press and caused questions to be asked in Parliament. Though there has been no formal surrender of claim by Britain, she seems at least tacitly to have accepted exclusive American rights to Howland, Baker and Jarvis, all islands of the "solid" type. On the other hand, Canton and Enderbury, the former an atoll well suited for seaplanes, are now jointly occupied by British and American parties. A recent executive order of the President of the United States placed both islands under the administrative jurisdiction of the Secretary of the Interior; at the same time the British Government has given inquirers assurance that British rights will be fully protected. An exact determination of the respective rights of each nation obviously remains for later negotiation. It should be mentioned that there are also islands where the British claim to unqualified sovereignty, though not formally challenged, is nevertheless not fully conceded by American opinion. Hull Island, close to Canton and Enderbury, is one such case, and Christmas Island is another. The cordiality of Anglo-American relations insures an amiable composition of these differences, and we are probably safe in predicting that the claims will be settled so that one will offset another. In some cases a genuine condominium may possibly by set up.

Air Commerce Freedom

It is a generally accepted principle that the airlines of one country can enter or pass over the territory of another country only after obtaining the latter's consent. However, the Pan American Convention on Commercial Aviation — ratified by the United States, Mexico, Nicaragua, Guatemala and Panama — is equally explicit in granting to air commerce the free right of passage from one nation to another. Article 21 reads: "The aircraft of a contracting state engaged in international air commerce shall be permitted to discharge passengers and a part of its cargo at one of the airports designated as a port of entry of any other contracting state, and to proceed to any other airport or airports in such State for the purpose of discharging the remaining passengers and portions of such cargo . . . provided that they comply with the legal requirements of the country over which they fly, which legal requirements shall be the same for native and foreign aircraft engaged in international traffic."

In any event, the United States will for the next six years be able to operate across the Pacific at least as far as the Philippines without seeking anyone's permission. After 1945 the Philippine Commonwealth will presumably be in full control of its own foreign relations and therefore able to decide for itself what foreign airlines are to operate over its territory. Up to now no foreign air-line has entered the Philippines, and though there have been periodic reports that the Royal Dutch Air Lines were on the point of extending their services from the East Indies north to Manila, it appears that thus far no formal action has been taken upon any official request for permission to operate such a line.

Japan, China Difficulties

To enter China, Pan American Airways found it necessary to deal with several foreign governments. Before the current war, operations into ports under Chinese sovereignty were hindered by China's disinclination to admit Japanese airlines to Chinese territory and by Japan's unwillingness to see other Powers get into China ahead of her. Only the foreign-controlled ports in South China were available; Pan American hence made private agreements with the Portuguese and British for admission to Macao and Hong Kong. Being of a private nature, and thus not binding on the United States Government, these agreements obviously could contain no provision for reciprocity. In Macao this fact has so far been of little importance, since the Portuguese have announced no plans for organizing intercontinental air transport under their own flag. But in Hong Kong the question is more serious, and the agreement concerning that colony consequently contains safeguarding provisions which allow cancellation under certain conditions. It is under another of these privately negotiated contracts that the line to New Zealand was launched a year ago. Though New Zealand's action occasioned some indignation in London, the Dominion Government has shown no disposition to subordinate its own interests to the wish of the British authorities.

The scope of British intentions in the eastern Pacific is not yet clear. The interest of the British in Canton and Enderbury Islands at least suggests that they do not intend to leave the trans-Pacific route to exclusively American exploitation. In that case, the key to their problem would seem to be the right to enter Honolulu. And unless the United States overcomes its aversion to foreign operation in an area of such military importance, there will be no alternatives except the very roundabout Marquesas-Clipperton route or a non-stop flight of 4,000 miles from Christmas Island to San Diego. On neither of these routes would the British give any real competition to Pan American's much more direct service.

France Advantageously Placed

At least theoretically, the French possess a better opportunity to operate a Pacific airline under their own sovereignty than do the British. If a French line used Clipperton, the only non-French soil on which it would have to stop between the Asiatic and American mainlands would be New Guinea (Dutch or British). However, such a line would run well to the south of the Equator and would thus have to depend upon the use of one of the tiny French islands lying just west of Samoa (*e.g.*, Wallis or Futuna) where there are no facilities for seaplane bases. In any event, the French have so far shown little interest in extending their air routes from Indo-China to French Polynesia, and still less to the coast of America.

Among the European nations, The Netherlands makes the most purely commercial approach to air transportation. Yet although the Dutch are less concerned than many with imperial motives, even they have laid out their major line from Amsterdam to Borneo. After several years of negotiation they now operate a service to Australia. Their aspirations certainly include lines to the Philippines, though they do not, so far as can now be seen, extend beyond 150 East.

Japan Makes no Agreements

There remain the Japanese. Though Japan is a party to the International Convention for Air Navigation, she has so far made no agreements with any of the other signatories. Japanese-controlled airlines have been limited to Japanese territory, which in recent years has come to include Manchukuo and more lately northern China. The Japanese have lines to Formosa, to Korea, and now to Peiping; and they would no doubt like to enter the Philippines. But the full extent to which they have developed airlines outside the home islands is not known. There have been constant rumors that an operating base has been set up on Saipan, 120 miles north of Guam. A Japanese report to the Mandates Commission in November 1936 announced that an air service to cover the islands under Japanese mandate would soon be put into operation. Yet, after three years, the status of this project is still shrouded in mystery.

* *S. Whittemore Boggs: "American Contributions to Geographical Knowledge of the Central Pacific," Geographical Review, April 1938, p. 177-192.*

Gunmen 'Hijack' Puppet Payroll of $100,000

An official of the puppet "Reformed Government" in Nanking was robbed of $100,000 in a hold-up which took place on Tuesday afternoon of last week. He was riding along Avenue Road, en route to the North Station to take a train to Hangchow, when five men armed with Mauser pistols halted the car near the Carter Road intersection.

Including the chauffeur, the car had five occupants. The gunmen ordered all but the chauffeur to get out and line up. The owner of the machine was tardy in obeying the order and was shot dead. Another man, one of two minor puppet officials travelling with the man who had the money, was wounded.

Having seized a brief case containing a $100,000 payroll intended for puppets in Hangchow, the hold-up men got into the car and ordered the chauffeur to drive off. The car was later found abandoned on Amherst Avenue near Fah Hwa Village, with the chauffeur missing.

Nippon Reports on Chinese Disunity Seen as Cover For Active Separatist Intrigues

FOR the second week in succession, the Japanese have been continuing their propaganda on allegedly alarming developments in China's domestic situation — the worsening of Chungking's relations with the Communist Party and some of the provincial administrations, particularly Yunnan. Presented in a rather circumstantial manner, the Japanese reports make unconvincing reading, as they have all been "processed" in the same mill—the Hongkong office of the *Domei* agency. However, behind their present "rumor offensive," there seems to lie a more sinister motive than mere dissemination of falsehood. It is probable that the Japanese may be really attempting to co-ordinate their rumors with acts designed to disrupt China's unity and promote separatist movements in the provinces.

As noted previously in these columns, the primary objective of all Japanese intrigues in China is to disrupt the United Front and thus subotage China's campaign of resistance. The peace rumors, Wang Ching-wei's plot to set up a new puppet administration and the current propaganda on alleged internal dissension are merely different features of one and the same operation. They all aim directly at the collapse of the National Government and the policy of resisance it stands for.

Promoting Discord

Too many times the Japanese have tried a word-offensive and failed. So, it seems likely that this time besides being authors of the current rumors, they are actively promoting discord between Chungking and its supporters.

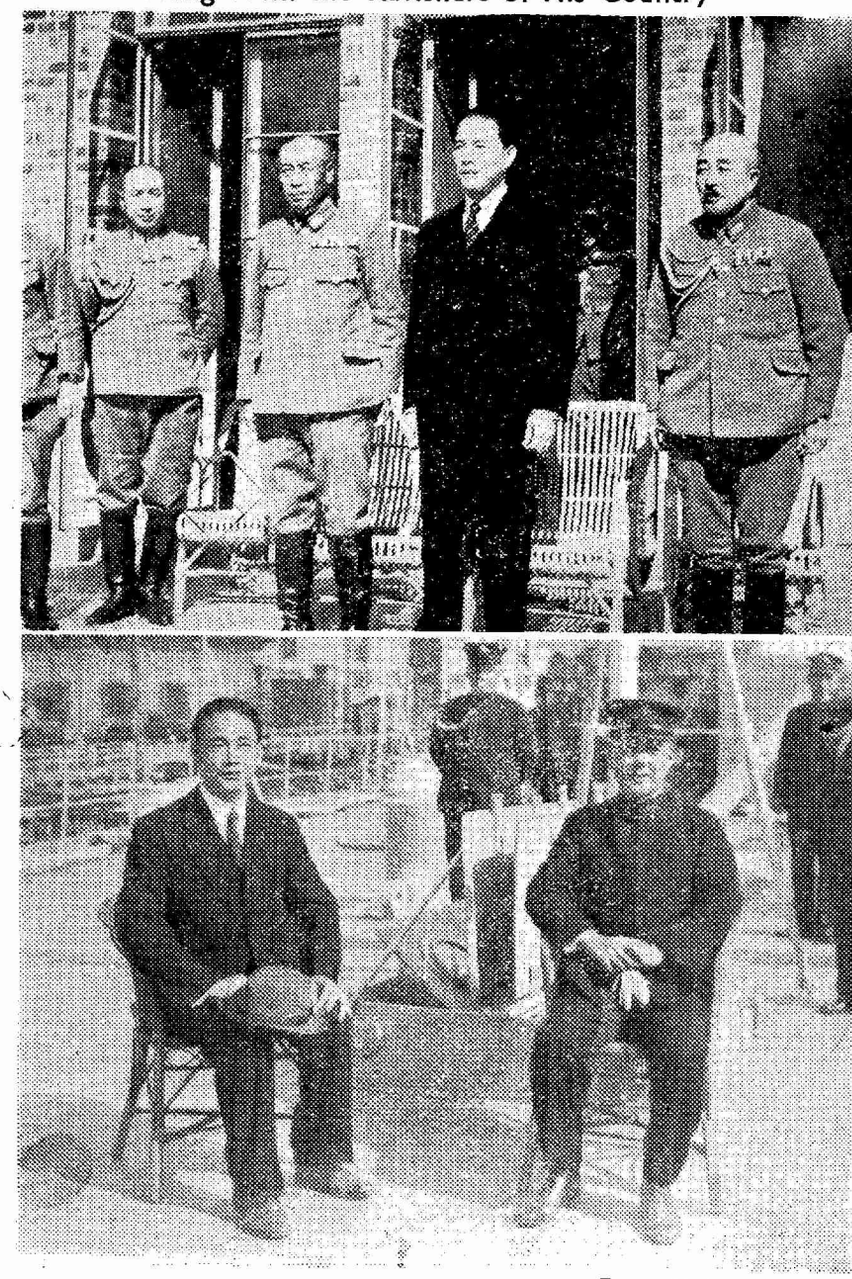
In the light of their traditional policy of playing one faction against another in China's politics, it appears also possible that the Japanese may be intriguing in an attempt to alienate from Chungking the Communists and some provincial leaders. This possibility should be borne in mind in order to understand the real meaning of the present Japanese rumor campaign. In pursuing such tactics as fostering dissension in Chungking, the Japanese are pitiably out of touch with vital events. Such tactics, which might have served the Japanese purpose in the past, cannot possibly work nowadays, in view of what the Japanese have done and are doing in China. Further, persistent resort to propaganda as a means to break the deadlock in the military situation is a sad indication of Japan's helplessness in face of China's determined resistance.

C.E.C. Session Due

An event of real significance in connection with China's political situation is the announcement of the impending convocation of the Sixth Plenary Session of the Central Executive Committee of the Kuomintang at Chungking. What has prompted the Kuomintang authorities to summon this session at the present time and what are the issues expected to be discussed, is as yet not known. It is, however, generally believed that the outcome of the forthcoming meeting may have important bearing on future developments in China's internal situation.

A cursory glance at the flock of Japanese reports on the rift between the Kuomintang and the Communist Party gives one the impression that China, as if completely closing her eyes to the Japanese menace, is on the brink of civil war. Claiming that the alleged Kuomintang-Communist negotiations at Yenan have virtually broken down, a *Domei* dispatch from Hongkong announced that both parties are taking military precautions last one should start action first. The Reds, according to *Domei*, are threatening mass defection, preparing to withdraw from the war zones in western and northern Shansi to a

Wang With the Ravishers of His Country



Press Union Photos

In the top picture Wang Ching-wei, chairman of the C.E.C. of the "Orthodox" Kuomintang, is seen paying a formal call on Gen. Toshizo Nishio, Commander-in-Chief of the Japanese Expeditionary Forces to China, at Nanking on Oct. 31. Gen. Nisiho is seen to the left of Wang, while at the extreme right of the picture is Lieut.-Gen. S. Itagaki, chief-of-staff to Gen. Nishio. In the lower picture, Wang is seen in company with Vice-Admiral Koshiro Oikawa, Commander-in-Chief of Japan's China Seas Fleet, on the latter's flagship, H.I.J.M.S. Idzumo, which wrought death and destruction among Wang's countrymen at Shanghai in 1937.

new "Soviet Region" embracing parts of Ninghsia, Kansu and Shensi provinces.

To forestall such a move, Japanese reports asserted, Gen. Chiang Kai-shek has ordered more Central Government troops into Kansu, while at the same time various units of the 8th Route Army operating in Shansi, Chahar and Hopei are moving towards northern Shansi. Further, Gen. Mao Tse-tung is said to have replaced Gen. Chu Teh as Commander-in-Chief of the "Red" Army, in view of the latter's absence in Moscow

Deep-seated Differences Alleged

Elaborating on the reasons of the breakdown of the alleged Kuomintang-Communist parleys in Shensi, *Domei* claimed that the failure is due to deep-seated differences in principles between the two parties. Some of the Kuomintang leaders, allegedly including Ta Chi-tao, Chen Kuo-fu, Chen Li-fu, and Chu Chia-hua, are said to have started an anti-communist movement and to have ordered the suppression of all communist propaganda and literature, but Gen. Chiang is reported to be urging moderation and preventing anti-communist feeling from developing into serious trouble. The Japanese have also described the formation of an association for the study of Confucianism at Chungking as a Kuomintang device to oppose communism.

The Japanese propaganda has received its due at the hands of the Chinese communists. Indignant at their persistence and preposterous nature, the *Hsin Hua Jih Pao*, organ of the Communist Party at Chungking, vigorously denounced the Japanese rumors as absurd and deliberately aiming to impair relations between the Kuomintang and the Communists. In particular, the journal denied the report that Gen. Chu Teh had gone to Moscow and that the 8th Route Army was being moved to "Sovietize" northwestern regions. Gen. Chu not only never went to Moscow, but lately has never left North China, where he is still actively directing operations against the Japanese, the paper asserted.

The Communist Army, the *Hsin Hua Jih Pao* further stated, has always been continuing resistance against the Japanese. Recently, it is recalled, the Communist Army, in cooperation with Central Government units, inflicted a heavy defeat on Japanese troops in southeast Shansi.

Reds Continue Fighting

Commenting on Japanese reports of an alleged conference at Yenan, between Kuomintang representatives and Communist leaders, to discuss reported Communist demands for "Sovietizing the Northwest," the newspaper pointed out that most of the persons named as having gone the conference are actually still in Chungking.

Simultaneously with the spread of rumors of alleged conflict between the Kuomintang and Communist Party, the Japanese are also circulating alarmist reports alleging strained relations between Chungking and Yunnan. With the object of ousting Gen. Lung Yun from Yunnan, *Domei* alleged that Gen. Chiang Kai-shek had served on Gen. Lung the following demands:

The Alleged Demands

1. That Yunnan Province be designated as a Sixth War Zone and the Headquarters of the 26th Central Army and six divisions of the army be moved ino Yunnan for garrison duty;

2. That the present Yunnan army be reorganized into two armies of four divisions and dispatched immediately to the Hunan front.

According to *Domei*, the 26th Central Army is under the control of one Gen. Chen and Gen. Huang, the latter being the commander.

The Japanese also enumerate many reasons for the alleged move against Yunnan by Gen. Chiang, among which the most important is to prevent the desertion of Gen. Lung Yun, who, according to *Domei*, "has special connections with Wang Ching-wei."

Gen. Lung Yun's reactions to the alleged Chungking demands the Japanese apparently have failed to discover, but they claimed to have found out that Gen. Lung's subordinates are indignant and inclined to reject the demands. Therefore, the Japanese concluded, relations between Chungking and Yunnan are very much strained.

Meanwhile, allegedly seriously perturbed at the steady spread of communist influence in the southwest, Gen. Lung is reported by the Japanese to have ordered a surprise round-up of all radicals in Kunming, with the result that more than 20 influential Communists have been arrested, charged with being engaged in subversive activities.

To the Japanese rumors, Chungking authorities issued a categorical denial. A government spokesman declared that Japanese reports alleging that the 26th Army is to be dispatched to Yunnan and that the Central Government is contemplating military action against the Yunnan authorities are absolutely without foundation. The spokesman pointed out that the 26th Army is at present on active service at the front, that Gen. Lung Yun remains loyal to the Government and is giving whole-hearted support to its policy of resistance. The spokesman added that the Japanese recently have spread many wild rumors with the forlorn hope of hoodwinking the public and destroying Chinese unity. Such efforts to sow seeds of discord between the Central Government and the Yunnan provincial authorities, the spokesman concluded, are futile and found to fail.

Rumors Regarding Szechwan

Despite the fact that Gen. Chiang Kai-shek has taken comptete control of Szechwan, the Japanese have not excluded that province from the sphere of their propaganda stories. Capitalizing on the recent resignation of Gen. Wang Tsan-hsu from the chairmanship of Szechwan, Japanese reports allege that considerable dissatisfaction has been evinced by various Szechwan military leaders. Gen. Wang is alleged to be in close contact with the communists. In order to prevent any possible uprisings by Szechwan provincial troops, *Domei* claimed, fresh Central troops have recently been ordered from Honan to move into Szechwan. Meantime, Gen. Wang's troops have been ordered to be transferred to Ichang in western Hupeh to fight against the Japanese.

Some speculation has been caused by the present visit in Washington of Dr. W. W. Yen, former Chinese ambassador to the Soviet Union and now head of the Chinese delegation to the Institute of Pacific Relations. Dr. Yen called on President Roosevelt and Secretary of State Cordell Hull. The visit was described as "private and social" and no discussions on diplomatic or political subjects were said to have taken place.

Chungking and Washington

Naturally enough, the Japanese promptly seized the presence of Dr. Yen in Washington as a source for fresh rumors. they assert that Dr. Yen has been commissioned by Chungking to appeal to the American Government for positvie and prompt assistance. Despite Dr. Yen's "persistent appeals," the Japanese further claimed, the American authorities are adopting a very cautious attitude in order to avoid entanglement in the Sino-Japanese conflict. So far, according to the Japanese, Washington has made no definite commitments to Chungking.

Interviewed by the press, Dr. Yen said that he did not believe the new world realignments, including the Soviet-German partnership and the threat of Soviet-Japanese rapprochement, would impair China's position in the war against Japan. The Chinese, he said, are determined to continue their war of defense until the military bloc in Japan comes to its senses and realizes the impossibility of its task in China.

Referring to the American neutrality legislation, Dr. Yen said that there was some confusion in the Far East as to the effect of the new neutrality act but that China hoped that something would be done to bar effectively aggressor nations from obtaining munitions from the United States.

Wang Ching-wei's path to puppet glory appears to be strewn with further difficulties due to the equivocal support of the Japanese and positive opposition from his rivals, Wang Keh-min in Peiping and Liang Hung-chih in Nanking. As a result of fresh obstacles to his plans for the establishment of a new puppet central regime with himself as the head, Wang Ching-wei is reported to have gone to Tokyo to appeal for assistance. One of the direct blows at wang's government-forming plan is the sudden postponement of the seventh session of the so-called Joint Commission of the Peiping and Nanking regimes schduled to take place at Tsingtao this week. The conference, which was expected to have been attended by all three leading puppets, was originally summoned for the purpose of discussing final details regarding the formation of the new government, but its sudden cancellation has again upset Wang's plans.

Wang Denies Tokyo Visit

Apparently exasperated at the fresh difficulties confronting him, Wang issued an indignant denial that he had made another trip to Tokyo.

He said, according to *Domei*, that he had never left his Yu Yuen Road residence. Wang also took the occasion to deny reports, widely circulated in Shanghai, that the Japanese government had presented to him a "Ten-Point" Program" as the basis on which his projected central government should be established. Speaking through an unnamed spokesman, Wang boasted that he would tolerate no Japanese proposal which runs contrary to the independence and sovereignty of China. Referring to the organization of a new government in Nanking, Wang said that it was of no immediate urgency, as his main concern is the principles of his peace movement. In an effort to cover up his failure to erect a puppet regime, Wang said that "the actual formation of the new government is of minor importance as compared with the putting into effect of the principles of which his peace movement is based."

Abe Promises Support

Adding insult to injury appears to the statement made by the Japanese Premier Gen. Abe, reiterating his lip service to Wang that the Japanese Government is determined to give positive support to him in his movement for the organization of a new government and to prevent any attempt by others to obstruct this movement, evidently hitting at the obstructionist tactics of Wang's rivals, Wang Keh-min and Liang Hung-chih. This assurance from Gen. Abe must be more irritating to Wang than reassuring, in view of the fact that the Japanese have kept on saying it for at least the past six months.

As if coordinating with Gen. Abe's statement is the renewed activity of the Asia Development Board, which likewise voted its whole-hearted support for Wang Ching-wei. At a meeting held last week, the Board revived discussion of Prince Konoye's three-point peace statement of December last year and Wang Ching-wei's response to that statement. The Board decided that Japan should be ready to extend all possible aid to the new regime to be formed by Wang in pacification, industrial, cultural and other activities.

Incensed at Wang Ching-wei's alleged proposal to permit Japan to station troops in Inner Mongolia, Prince Sha, influential Mongolian leader, has petitioned the National Government, urging severe punishment of Wang for his "traitorous activities." Prince Sha said Wang was guilty of "betrayal of all Mongolians" by his reported proposal to Japan.

Hupeh has a new puppet governor in the person of Ho Pei-yung, described by the Japanese as the highest advisor to the late Gen. Sun Chuan-fang. Ho was installed in his post on Nov. 3.

Japan's plans for the Nipponization of Chinese education seem to have advanced a step further with the establishment of the Central China Japanese Educational Training Institute housed in the seized premises of the Chiaotung University. Twenty-nine Japanese students are to undergo training in the institute for three months, following which they will be assigned as teachers to Chinese middle schools in the occupied areas of Central China. The Asia Development Board is the sponsor of the scheme.

Provinces Pledge Loyalty

Sinkiang and Inner Mongolia have renewed their pledges of support to the National Government. A delegation representing various Mongolian banners in Suiyuan, under Japanese occupation, recently arrived at Chungking to pledge allegiance to the government. Gen. Sheng Shih-tsai and Li Yung, military and civil leaders of Sinkiang, have sent a joint telegram to Gen. Chiang, congratulating him upon the recent Chinese victories in northern Hunan.

Gen. Li Ping-hsien, noted Kwangsi leader and Vice-Commander-in-Chief of the 5th War Zone, has been appointed chairman of Anhwei, in succession to the late Gen. Liao Luai, who died recently. Interviewed by the press, Gen. Li said that in order to facilitate the campaign of resistance, the Anhwei Provincial Government would endeavor to increase agricultural and industrial production, so as to secure economic self-sufficiency for the province. Politically, Gen. Li said, measuress would be adopted to purify officialdom.

Dalai Lama Rivals

Politics are said destined to play a significant role in the forthcoming deliberations as to the personality who is to succeed the late Dalai Lama, *Transocean* reported. Three boy candidates for the post have arrived at Lhassa, with China, India and Russia playing one against the other for mastery over the land of Lamas. *Transocean* surmised that China's chances to obtain dominant influence in Tibet are increasing in the same ratio as the bitter feud between India and Russia increases in intensity. According to a Chinese report, Gen. Wu Chung-hsin has been appointed by the National Government as the special envoy to attend the ceremony of installation of the new Dalai Lama at Lhassa.

A Japanese report alleging that the French authorities in Indo-China have "blockaded" Yunnan province was denied in Kunming. It was pointed out that the Chinese authorities have been cooperating harmoniously with the French authorities in Indo-China and the British authorities in Burma.

Japan's Budget Pared To Yen 4,800,000,000

Reducing by one-third the new demands of various ministries contained in their 1940-41 draft budgets, officials of the Bureau of Accountancy of the Japanese Ministry of Finance indicated on Oct. 29 that they hoped to bring next year's national budget down to Yen 4,800,000,000, *Domei* reported.

With Yen 3,000,000,000 in income assured as a result of revised taxaton schedules, the "red-ink" bond issue for the next fiscal year would be limited to about Yen 2,000,000,000, they said.

The funded debt of the Japanese Government at the end of June totalled Yen 18,445,452,000, or greater by Yen 400,000,000 than the Yen 18,043,858,000 in long-term Government debts at the end of May. Short-term debts at the end of June amounted to Yen 486,000,000.

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"Via RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES....

In CHINA file your messages "RCA"

(R.C.A. Communications, Inc.)

R. C. A. Communications, Inc.

(A Radio Corporation of America Service)

Head Office for China:—
Sassoon Arcade
Shanghai
Tel. 12558

AGENCIES:—
Tientsin: 65 Consular Road, Tel. 81480.
Hongkong: China Building.
Hankow: Harrisons, King & Irwin Building, Tel. 21771.

Fighting in Hupeh, Shansi and Mongolia

A lull has apparently set in on the northern Hunan front, scene of the recent rout of Japanese forces driving toward Changsha, but intensive military activity has lately been reported in western Hupeh, western Shansi and—for the first time in many months—in Inner Mongolia.

According to a *Reuter* report from Chungking on Nov. 5, Japanese forces are engaged in a westward drive in Hupeh province, with the capture of Ichang, Yangtsze River port at the entrance to the famous Gorges, as their goal. Severe fighting is said to be proceeding in central Hupeh along the lower reaches of the Han River, with Japanese troops engaging Chinese forces in the region of Mienyang, 60 miles southwest of Hankow on the south bank of the Han.

Chinese troops defending Kienli, on the north bank of the Yangtsze in southern Hupeh, repulsed a furious Japanese attack from the direction of Pailotze on Nov. 5, according to a *Kuo Min* dispatch from Chungking which said that the Japanese retreated in great disorder, leaving behind them several hundred dead.

According to Chinese dispatches, the offensive opened by the Japanese in western Shansi has ended in a rout. Japanese troops advancing on Puhsien, Hsiangning, Taning and Hsihsien were said to be falling back into the mountain regions.

Heavy fighting has been in progress on the plains of Inner Mongolia since Oct. 29, according to a Chinese field dispatch from Wuyuan, most important city in western Suiyuan, *Reuter* reported from Chungking on Nov. 5. Chinese troops, the dispatch was quoted as saying, had launched an attack on Oct. 29 in the direction of Anpeh and Kuyang, west and north of Paotou, respectively, and after five days of fighting had advanced to points north of Anpeh.

Chiang Nervous Over Reds?

Gen. Chiang Kai-shek has become extremely nervous over movements of Communist armies in the northwest, according to a *Domei* report from Hongkong on Nov. 2 which quoted an alleged message from Chungking. The Generalissimo, the report said, was gradually transferring his central troops from the Lunghai Railway westward by night after replacing front line forces. Part of Gen. Hu Tsung-nan's army, which had been stationed in the Tungkwan district, was said to have reached Tienshui in Kansu. While full details of the troop movements were not known, the report went on to say, it was reliably understood that steps were taken by the National Defense Council to tighten precautions against Red armies and strengthen key points along the Sian-Lanchow highway "in preparation for an emergency."

Japanese planes attacked Chinese airdromes in the Chengtu (Szechwan) area on Nov. 4 and succeeded in destroying 35 grounded planes, *Domei* reported, adding that several Chinese pursuit craft were also shot down in a series of "dog fights." According to Chinese sources, two of the raiding machines were shot down.

Sha Ngchung, Chinese port near the Kowloon border in Kwangtung, was bombed by Nippon planes on Nov. 5 for the second time within three days. *Domei* described the port, which is the terminus for a ferry boat service across Mirs Bay, as "a vital military supply base for Chinese troops."

When Nippon Planes Bombed Nanchuan

Left, the ruins of Nanchuan, on Szechwan - Kweichow border, after the visit of Nippon planes on Oct. 13. The Catholic mission buildings including the church (top left) were badly damaged and Father Louis Danion of Bretagne, France (right) was wounded.

Photos by Thomas Kwang

Big Reserve Fund is Sought for Refugees

A $1,000,000 reserve fund for Shanghai's "undispersible" destitutes is the goal of leading relief workers who are seeking a permanent solution to the refugee problem in this city, *China Press* reported last week.

Workers who are engaged in this task include Messrs. Yu Ya-ching and L. T. Yuan, Chinese members of the Shanghai Municipal Council. They are concurrently chairman and secretary-general of the Shanghai Refugee Relief Association respectively.

Interviewed, Mr. Yuan stated that while all efforts were being made to disperse refugees here either by sending them to their old homes or helping them to obtain employment so that they might become self-supporting, Shanghai might always expect at least 10,000 destitutes who rely entirely on charity.

War Drives Many Here

This number, he indicated, includes all the homeless, aged and orphans who had been driven to Shanghai, especially since the outbreak of the Sino-Japanese hostilities.

Commenting on the $1,000,000 project, Mr. Yuan said it was still in the inceptive stage. The fund, he added, will partly come from surpluses which the Association raises from month to month for the maintenance of the destitutes under its care.

In addition to these surpluses, it was revealed, other measures may be adopted in the future to swell the fund, so that the goal may be reached within the shortest possible time.

Meanwhile, Mr. Yuan said, the number of refugees in various camps here still totals about 37,000.

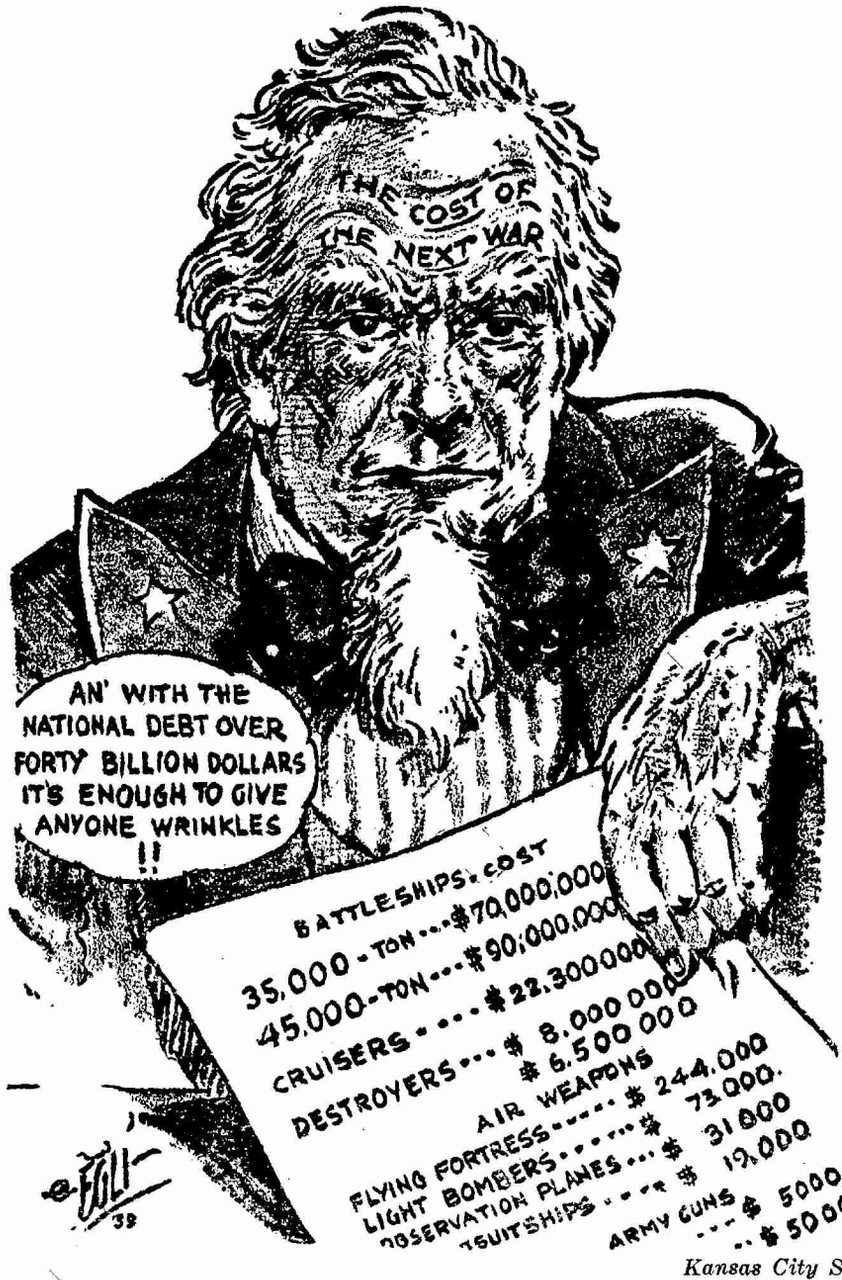
National Debt of U.S. Now at All-time High

Reaching an all-time high on Oct. 25, the national debt of the United States passed the mark of $41,000,000,000, according to statistics released by the Treasury Department in Washington. It has risen by $553,000,000 since July 1, commencing date of the current fiscal year.

The national debt equals approximately $315 for each man, women and child in the United States.

A total of $45,000,000,000 is the statutory limit of the United States' national debt. It is thought possible that the figure may be reached this year and that Congress may be asked to raise the limit at the regular January session.

If the Government's contingent liabilities were included in the present debt figure, the total national debt would amount to $46,356,000,000.


THE COST OF THE NEXT WAR
AN' WITH THE NATIONAL DEBT OVER FORTY BILLION DOLLARS IT'S ENOUGH TO GIVE ANYONE WRINKLES !!
BATTLESHIPS-COST
35,000-TON ... $70,000,000
45,000-TON ... $90,000,000
CRUISERS ... $22,300,000
DESTROYERS ... $ 8,000,000
$ 6,500,000
AIR WEAPONS
FLYING FORTRESS ... $ 244,000
LIGHT BOMBERS ... $ 73,000
OBSERVATION PLANES ... $ 31,000
TSUITSHIPS ... $ 19,000
ARMY GUNS ... $ 5000
... $ 50000

Kansas City Star

Nippon Air Attack On Salt Field Fails

BY S. T. HSIEH

ON China's National Day, Tzeliutsing (Bubbling Well), free China's most important salt-producing center, suddenly jumped into the limelight. A squadron of 27 Japanese planes visited this quiet, open Szechwan town and rained death and destruction, badly damaging, among other properties, three residences of the United Church of Canada. What the Japanese were after, however, they missed, namely, the salt-producing plants.

Szechwan literally became the "salt of China," after the closure of northern and coastal salt-producing centers which before the war produced annually 40,000,000 quintals of salt, or 80 per cent of China's total salt production. With millions of people depending on Szechwan for salt, the production of its 23 salt works and boileries has been increased steadily since the war through the introduction of modern methods. About half of Szechwan's salt production, totally valued at $40,000,000 to $45,000,000, comes from Tzeliutsing.

The production rate of Tzeliutsing and other salt fields averages about 785,574 quintals a month; it is estimated that by the end of this year the total output will have reached about 9,500,000 quintals. In the first four months of 1939, the salt works produced 3,142,299 quintals. In 1938, the total output was 8,398,878 quintals, while in 1936, a normal year, it was only 7,402,785 quintals.

Supply Hunan, Hupeh

In pre-war days, China obtained her salt from sea water in Liangwei (north Kiangsu), Sungkiang (south Kiangsu), Changlu (Hopei), Liangche (Chekiang), and Huainan (Anhwei). Today, the overwhelming part of China's supply comes from Szechwan, where it is obtained from salt wells. Its production and distribution are under the control of the Szechwan-Sikong Salt Administration. Half of the annual output is marketed in Hunan and Hupeh provinces, which before the war depended on the Hwei River region for their supply.

Yunnan is another salt-producing center, but the salt produced there lacks iodine. This accounts for the enormous number of Yunnan peasants who are afflicted with goiter. According to investigation, about 12 per cent of Yunnan's 12,000,000 population are stricken with this disease. Even in the provincial capital, Kunming, goiter cases are still to be found, although the number is negligibly small. Several months after the removal of the Southwest Associated University to Kunming from Changsha, a dozen girl students were reported to have contracted goiter. The disease is more prevalent among women than men; 10 to 20 per cent of the men and 40 to 50 per cent of the women in Yunnan are goiter sufferers; the percentage is lighter in the remote mountainous regions.

Meanwhile, medical experts and officials, including Mr. C. G. G. Pearson, associate district director of the National Salt Administration, Dr. R. C. Robertson, chief technical expert of the League of Nations' Anti-Epidemic Commission in China, and Dr. McClure of the International Red Cross, are busily engaged in the suppression of this disease. A sum of $20,000 has been earmarked for the first year's survey and iodizing work. The iodine comes from Szechwan.

Chungking, Oct. 13, 1939

Nanking Population Now In Excess of 500,000

The population of Nanking at the end of October was 552,278 comprising 132,403 households, according to figures released by the Nanking Police Station, *Domei* reported last week. This is an increase of 8,231 since September, it was stated.

Szechwan's Heavy Industry Advances

A RECENT survey reveals that there are 85 mechanical and metal working factories in the Chungking area as against 24 in pre-war days. The number is still increasing, as more are being erected. Forty-three of those already in operation were moved from down-river cities, including Shanghai, Nanking and Hankow, while 18 others were opened since the outbreak of the war.

The presence of so many machine-works has made Chungking an industrial center, besides being China's wartime capital. Most of the plants work on government orders as auxiliaries to the arsenals. Others are turning out machines which go to equip new factories in Free China. Altogether they employ 4,172 workers, 66 per cent of whom are skilled laborers. Some of the bigger plants also have foreign technicians.

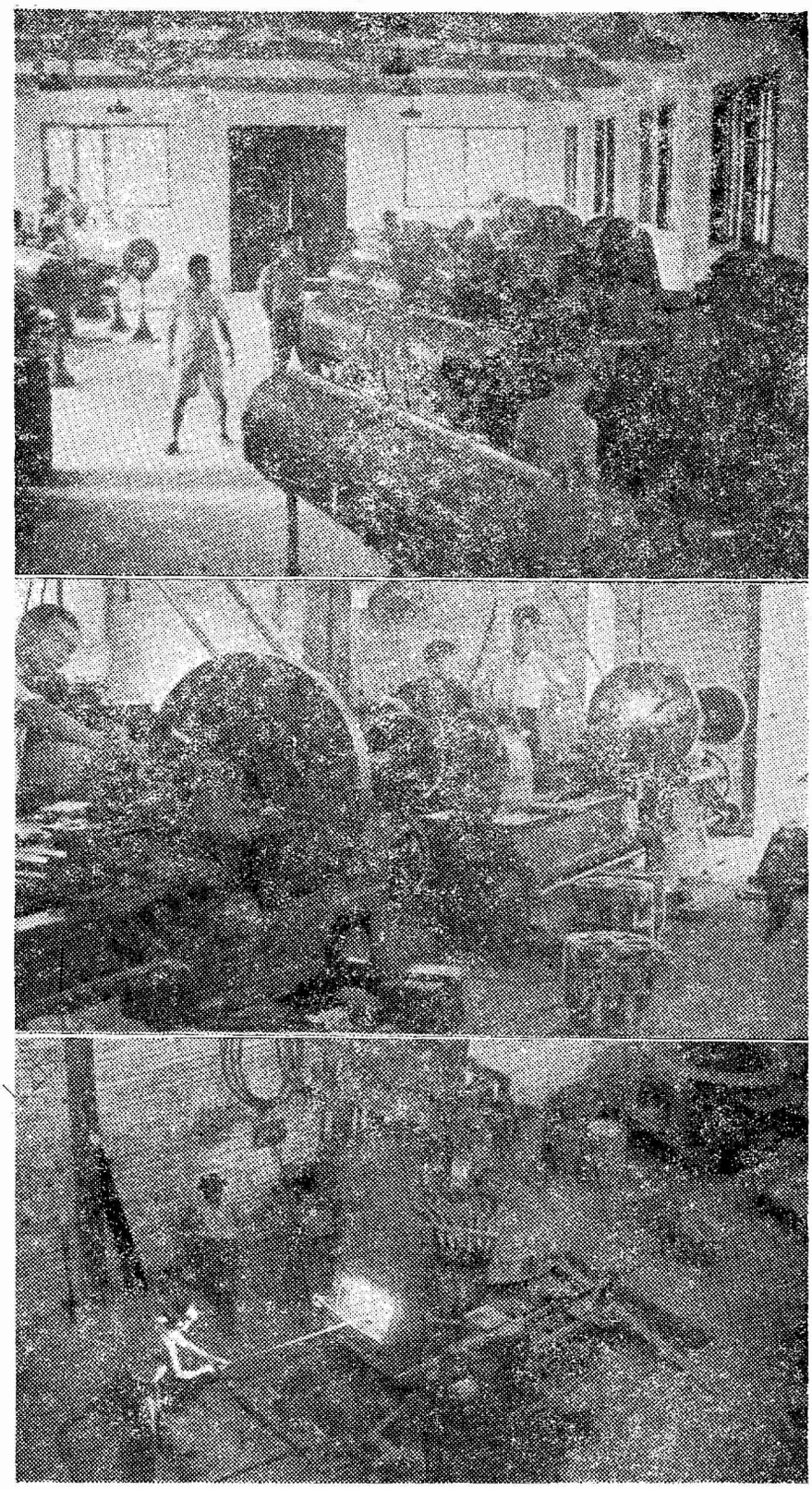
Plants Are Small

Compared with machine-works which formerly flourished in coastal cities, the Chungking factories are small. The largest of them is capitalized at $600,000, two others at $500,000 and many at $400,000 and $200,000. The majority have a capital of from $10,000 to $100,000 each. The smallest ones have a meager capital of from $1,000 to $5,000 each. Seventy-two of them use electric power.

The supply of iron has been a problem for many months. Both government plants and private concerns are seeking to enlarge their capacity. Within two or three months, the daily supply can be increased to 50 tons. The supply is expected to increas to 150 tons a day within less than a year. The local production of steel, copper, lead and other metals will also be augmented.

Another problem has been that of skilled workers. Native workmen are not as efficient as those from Shanghai. As a result, those from down river, now in Chungking, are in great demand and their wages have risen steadily. The highest pay of a skilled workman now is two dollars a day. The factories concerned are arranging for Shanghai workmen to come to Chungking with financial aid from the government authorities.

Munitions for China's Armies



Photos by Thomas Kwang

The steel plants and machine shops in the Chungking area are largely engaged in turning out munitions for China's armies. Top picture is an interior view of a machine shop that makes 3.7 cm. anti-tank shells. In the center picture is shown an auxiliary workshop of an army arsenal. Below is a steel plant—rather primitive—in full operation. All ores used in these Chungking plants are mined exclusively in Szechwan province.

Spain Exiles Gen. Miaja For Period of 15 Years

General Jose Miaja, defender of Madrid in the Spanish civil war and the man who arranged the final surrender of the city to General Franco in March of this year, has been sentenced to 15 years' banishment from Spain by a Madrid court. He is now living in Mexico.

In the early days of the Spanish civil war, Gen. Miaja became head of the Madrid Defense Commission and in that capacity was responsible for the defense of the capital against the forces of General Franco. The troops under his command put up a marvellous defense of the city for nearly two years and Miaja became famous.

The Communist Party claimed Miaja as a member. In the International Press Correspondence, Comintern organ, for Feb. 6, 1937 the following appeared: "The President of the famous Madrid Defense Commission, Comrade Miaja, is a member of the Communist Party. His work, with that of the other delegates, will go down in history." When Miaja surrendered Madrid, the Communists maintained a discreet silence about his Communist membership and denounced him as a traitor.

Vancouver, New York Aid Cause of China

The Medical Aid for China Committee and the China Aid Council of Vancouver, B. C. sent a shipment of over one hundred thousand surgical dressings and bandages to China during September. A sterilizing machine and other surgical equipment valued at $2,500, the gift of a Vancouver physician, was included in this shipment.

Under the leadership of Mrs. A. M. Stephen, assisted by Mrs. R. C. Weldon, president of the Vancouver district W.C.T.U., many groups and individuals throughout the province made this shipment possible. On behalf of the Marshall group, a contribution from Mrs. Lammedee will purchase two looms for the Chinese Industrial Cooperatives engaged in rebuilding Chinese industry behind the Japanese lines.

The Committee has issued a further appeal for woollen blankets, clothing, white linen or cotton cloth for bandages, surgical instruments, quinine, iodine and other antiseptics and cash donations.

N. Y. Aids China Orphans

Women prominent in society and in public life in New York City joined recently in a much publicized sale of Chinese jewellery and trinkets for the benefit of the Chinese war orphans' fund headed by Mme. Chiang Kai-shek.

The charity sale was conducted at Lord and Taylor's, large New York department store. A total sale of U.S.$7,000 was made on the opening day. Similar displays and sales are being organized throughout the country, and the sponsors, headed by Mrs. Theodore Roosevelt, Jr., hope to start a new fashion and simultaneously benefit refugee Chinese children.

Mrs. Roosevelt started off the sales by making a substantial purchase herself and, during the course of the day, the counters were swept clean time and again by the richly attired and modish women who attended. Assisting as sales ladies for the occasion were Mrs. Lin Yu-tang, Mrs. Alice Roosevelt-Longworth, Carmen Miranda, the Brazilian dancer, Elsa Maxwell, Dorothy Thompson and other notables.

Mission Hospital Bombed in Fukien

Eight Chinese patients were killed and three injured when St. Luke's Hospital, of the Church Mission Society, at Putien in the province of Fukien, was struck by aerial bombs in the course of a raid by Japanese naval planes on Nov. 1, according to dispatches from Foochow.

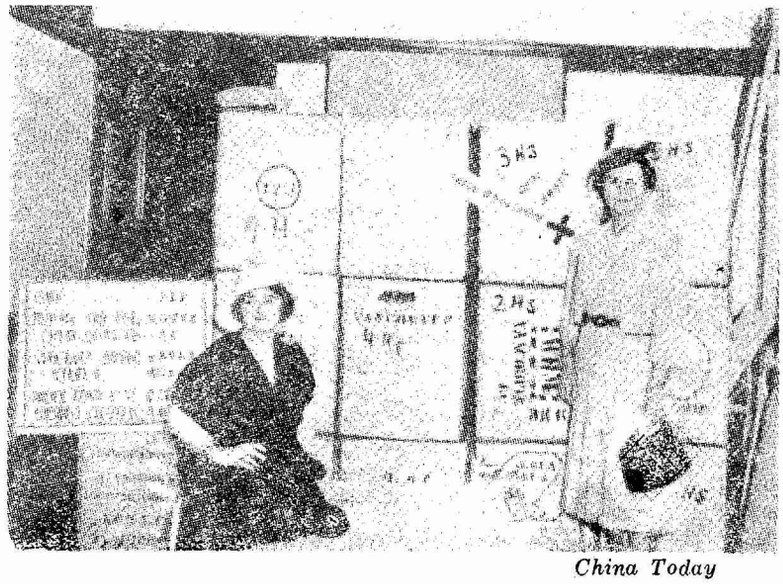
The mission, a British institution, has the hospital run by an American staff. The town in which it is located is near Kiangyin, on the Fukien coast. Two bombs struck the hospital. The first, it was stated, completely wrecked the men's ward and 15 of the inmates were buried in the wreckage. Of this number, eight were killed and three slightly injured, while four had miraculous escapes from death or injury.

The mission buildings were marked both with the British flag and the Red Cross sign. The British missionary in charge and all members of the staff were unscathed, the reports said.

Yaolu Incident Settled?

According to a *Domei* report from Hsuchow, the incident at Yaolu on Oct. 27 when three Canadian missionaries were fired at by a Japanese sentry, one being seriously wounded and the other slightly wounded, has been "settled after an investigation." The missionaries "admitted their error in passing through the Japanese sentry line unintentionally," but said they had not heard the sentry's command to halt, the Japanese report said.

Help from Vancouver



China Today

Mayor Fu Gets S.M.C. Policing Proposals

The Shanghai Municipal Council has submitted to Mayor Fu Siao-en of the Shanghai "Special Municipality" (Ta Tao) a series of suggestions for the policing of the Western outside roads area, it was announced by the S.M.C. Nov. 2 in a communique which emphasized that the Council is not attempting to reach a permanent agreement regarding the Outside Roads, but merely to come to some temporary arrangement which may put an end to friction and ensure the preservation of law and order.

The Council's proposals, the nature of which — as usual — has not been made public, were submitted personally to Mayor Fu Siao-en at the Kiangwan Civic Center by Mr. C. S. Franklin, chairman, and Mr. G. Godfrey Phillips, secretary and commissioner general of the S.M.C.

Mr. Phillips has received a letter from Mayor Fu requesting that newspapers in the International Settlement should henceforth refrain from "improperly" referring to his "Special Municipality" and officials as "Ta Tao." The "Ta Tao" regime, he pointed out, was no longer in existence.

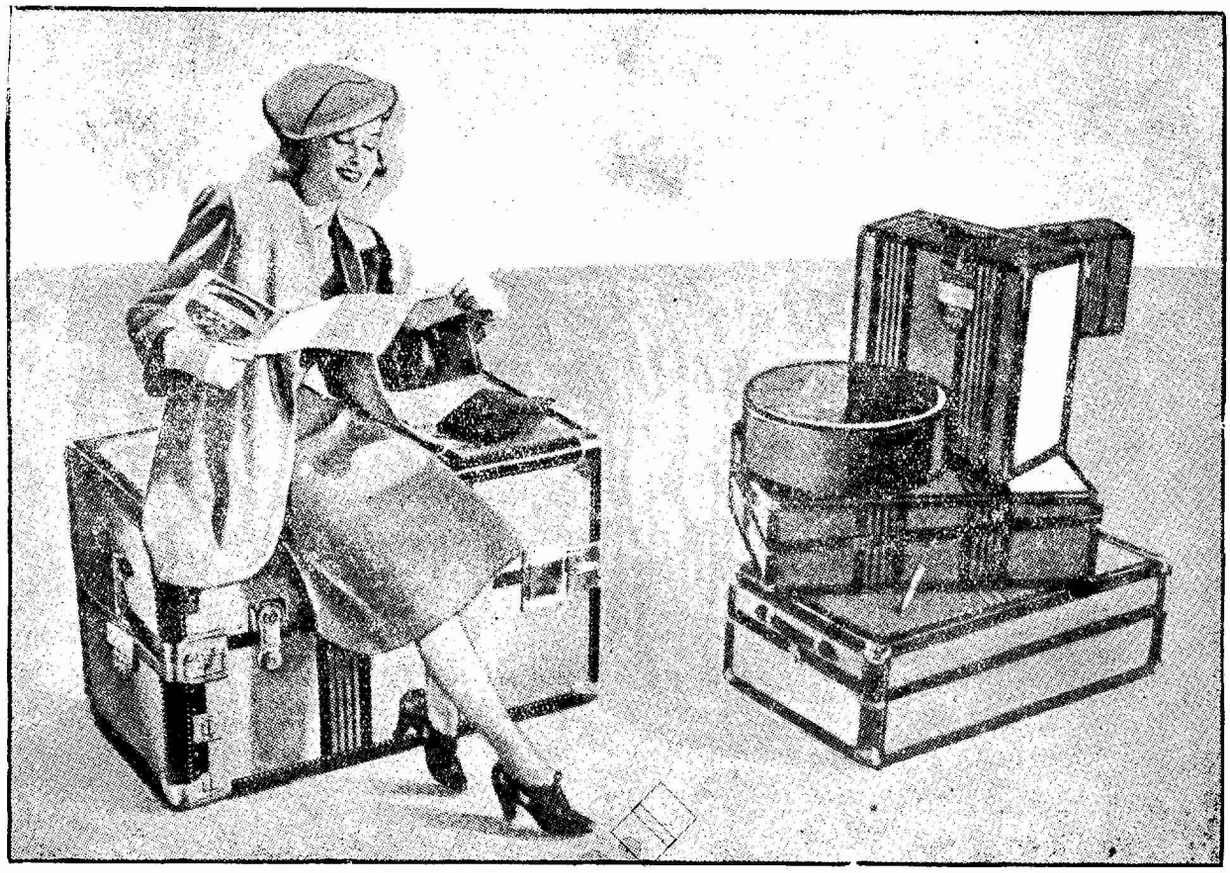
Haiphong Piled up With German Goods for China

According to the *Shun Pao* there is approximately $30,000,000 worth of German, Austrian and Czechoslovakian merchandise piled up at Haiphong awaiting shipment over the French railway to Kunming, capital of Yunnan, and other points in west China. Some time ago the French authorities in Indo-China ordered the Chinese to register the accumulated Haiphong merchandise with the French authorities at Hongkong and Shanghai before Oct. 31, otherwise it would be subject to confiscation. According to the *Shun Pao*, the French authorities claimed that the outbreak of war in Europe made all German goods subject to confiscation.

Ayukawa to Seek U.S. Credits for Manchukuo

Yoshisuke Ayukawa, president of the Manchurian Industrial Development Corporation, who recently returned to Tokyo from a tour of the Yangtsze Valley and an extended visit to Shanghai, is planning to depart for the United States shortly, "unless some serious obstacles develop," according to a report in the *Asahi Shimbun*. Mr. Ayukawa's object in visiting the United States is to obtain extensive credits for machinery for several war plants which are shortly to be constructed in the puppet state. In the course of an interview, Mr. Ayukawa stated he had sent his assistant, Asahara, managing director of the company, to the United States, and had been partially successful in interesting American businessmen and bankers in the Manchurian projects. The construction program, originally planned to be accomplished with German machinery, obtained through a barter arrangement, had to be postponed due to the outbreak of war in Europe.

You may travel...



WITH PERFECT EASE AND ENJOYMENT BECAUSE THE BRILLIANT BACKGROUND OF THE **AMERICAN EXPRESS CO.** IN WORLD-TRAVEL KNOWLEDGE AND SERVICE INSURES YOU CARE FREE TRAVEL.

IN EVERY PART OF THE WORLD REPRESENTATIVES ARE STATIONED TO MEET PLANES, SHIPS AND TRAINS TO ASSIST YOU.

AMERICAN EXPRESS TRAVELERS CHEQUES

ARE NEGOTIABLE EVERYWHERE; ARE RECOVERABLE EVEN IF LOST, AND ARE ISSUED IN CONVENIENT DENOMINATIONS OF U.S. $10, $20, $50 AND $100; £2, £5 AND £10.

DIAL 16278

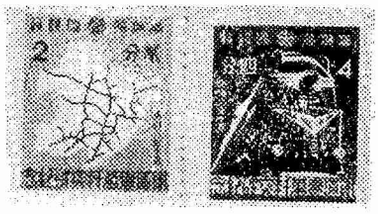
THE AMERICAN EXPRESS CO., INC.

158 KIUKIANG ROAD TELEPHONES 16276-8

90-451

Manchukuo Issues Special Postage Stamp Series

The Manchukuo Government has just issued a new series of postage stamps to commemorate the completion of 10,000 kilometers of railways in the Japanese-protected state. The stamp on the left is of two "fen" value, equivalent to two Japanese sen. The stamp on the right is four



fen. The date is "10th month, 6th year of Kangteh." The inscription at the bottom reads, "In commemoration of the completion of 10,000 kilometers of railways in Manchouti-kuo." The stamps use the official or Japanese-designated name for the puppet state instead of the form "Manchukuo," used in the Chinese papers. The stamp on the left shows a miniature map of the railway system while the one on the right shows the front of the engine used on the streamlined train operated by the Japanese on the South Manchuria Railway.

China Starts Payment On Gold Loan Issues

The Ministry of Finance in Chungking announced Nov. 4 that the four Government banks, namely the Central Bank of China, the Bank of China, the Bank of Communications, and the Farmers Bank, also their agents in foreign countries, were instructed to start November 1 on the repayment of principal as well as first interest payment on the three Chinese Government gold flotations under the 27th Year Gold Loan. This comprises the Customs Gold United Bonds; Sterling Bonds; and United States Gold Bonds.

Lots to determine the repayment of the principal on the Gold Loan were drawn in Shanghai on October 26.

Sums to be redeemed total 300,000 Customs Gold Units, £30,000 and U.S.$150,000 respectively.

In addition, the four banks are to pay 2,500,000 Gold Units, £250,000 and U.S.$1,250,000 as first interest payment on all three gold flotations.

These gold issues, totalling 100,000,000 Customs Gold Units, £10,000,000 and U.S.$50,000,000, were floated on May 1, 1938. The value of the Customs Gold Unit, as fixed by the Government, remains at 60.1866 centigrams of pure gold. The issues bear identical interest at the rate of five per cent per annum, payable twice yearly, namely on October 31 and April 30. Their amortization is spread over a period of 15 years, to be completed in April, 1954.

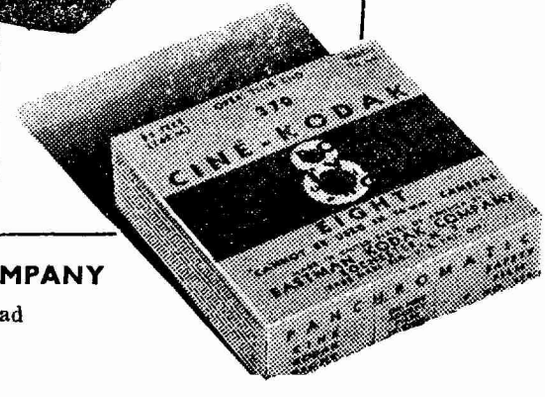
The Gold Loan is secured on China's salt revenue surplus, to be paid in by the Salt Inspectorate to the Central Bank of China and credited to accounts of the Gold Loan Sinking Fund Commission.

At the same time, the Chinese Government has started paying CN$2,000,000 in the principal, and CN$15,000,000 in interest on the CN$500,000,000 National Defence Loan. This loan is secured on China's income tax receipts.

Chinese Give Farewell Party for Dr. J. E. Baker

Fifteen Chinese charitable organizations gave a farewell dinner at the Hung Fah Loh restaurant on Wednesday evening of this week, for Mr. and Mrs. John Earl Baker who are departing for the United States on vacation. Dr. Sao-ke Alfred Sze, former Ambassador to the United States, presided and addresses were delivered by Julean Arnold and S. U. Zau. Mr. Baker has resided in China since 1916, first as technical adviser to the railway department of the Ministry of Communications and later as director of road and dyke famine and floor relief projects. Reconsrtuction in conection with cently he has served as secretary of American organizations in Shanghai which are concerned with dispensing relief to Chinese civilian refugees from the war.

The cost of Ciné Kodak Film includes the processing, which is done by experts in Kodak laboratories in leading cities throughout the world.



EASTMAN KODAK COMPANY
185 Yuen Ming Yuen Road
Shanghai.

The Economy Movie Maker . . .

CINÉ-KODAK EIGHT

No longer are the lifetime joys of movie making restricted to the well-to-do. Ciné-Kodak Eight takes thrilling home movies at unbelievably low cost . . . makes one foot of film do the work of four. And you save money on the initial investment.

Get full details about this economical "Eight" at your Kodak dealer's.

●

TOMORROW'S priceless movies cost so little TODAY!

90-452

THE
CENTRAL BANK OF CHINA

A BANKERS' BANK

HEAD OFFICE:
CHUNGKING

SHANGHAI OFFICE:

Telephone: 74430 Cables: "Governbank"

BRANCHES:

SHANGHAI	Swatow	*Nancheng*	*Nankiang*
HANGHSIEN (Yungkang)	*Kongmoon*	Lanchow	*Tzeliutsing*
Ningpo	WUCHOW	*Tienshui*	*Nantu*
Chuhsien	Kweilin	Kweiyang	*Mienyang*
AMOY	TIENTSIN	*Panhsien*	*Loshan*
Foochow	Peiping	KUNMING	*Kwangyuan*
Tsinkiang	NANCHANG	*Mengtsu*	*Santai*
Nanping	*Kian*	CHUNGKING	*ICHANG*
Chienou	*Linchwan*	Chengtu	*Hankow*
Pucheng	Chengchow	*Wanhsien*	Changsha
Santuau	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	*LOYANG*	Yaan	*Hengyang*
CANTON	Sian	*Kiangtsing*	*Lingling*

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA AND HONGKONG

90-453

For
Turkish and Domestic Blend
Smoke

Manufactured by
THE AXTON-FISHER TOBACCO CO.
Louisville, Ky., U.S.A.

Off to the Land of Nod!

The healthy child is a happy child, full of fun all day, and ready for a sound night's sleep when bed-time comes. If your child is not like this it is evidence enough that something is wrong in its little inside.

Most of childhood's ailments originate in the stomach. Parents everywhere who once try Baby's Own Tablets for their little one give them a permanent place in the medicine cabinet, ready for immediate use whenever the children need a laxative to cleanse the intestinal tract, or are troubled with indigestion, wind, colic.

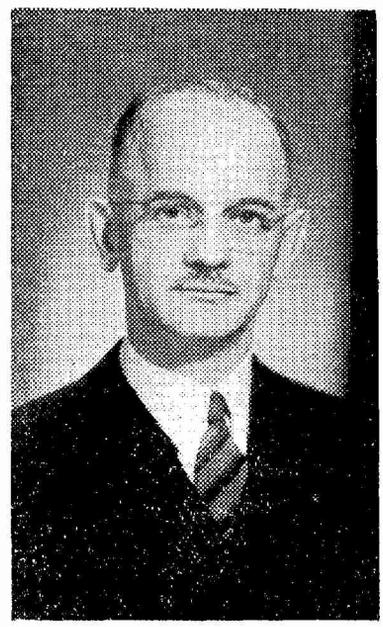
Teething pains and feverishness are quickly allayed, colds and croup are eased, worms are expelled by this same remedy. With surprising speed weak, ailing, backward children gain weight, strength and spirit when Baby's Own Tablets are made their medicine. And they like their pleasant taste. Chemists everywhere sell

Baby's Own Tablets
"For Children Of All Ages"

90-454

Former L.A. Attorney Will Practice Law Here

Charles Richardson, Jr., former resident and practicing attorney of Los Angeles, who has been visiting in Shanghai for some time, has decided to establish an office for the practice of law here. Mrs. Richard-



Charles Richardson, Jr.

son is expected to arrive in Shanghai shortly and they will reside at the Cathay Mansions.

Mr. Richardson was born at Aberdeen, Mississippi, but the family later moved to Tacoma, Washington where the elder Richardson was engaged in the cold storage and packing industry. Mr. Richardson received his education at Bishop Ridley College, St. Catherines, Ontario, Canada and at the Lawrenceville Preparatory School of New Jersey, later entering Princeton where he was graduated in 1915 with the degree of Bachelor of Letters.

After serving as captain with the 91st Division in France, he entered the Harvard Law School, later transferring to the Hastings College of Law, University of California, where he received the degree of Bachelor of Laws in 1922. He practiced law in Long Beach and Los Angeles until coming to Shanghai last December.

Mr. and Mrs. Richardson have two children, one a married daughter residing in Pasadena and a son at Menlo, Cal., Junior College. Mr. Richardson is a member of the American and California Bar Associations, is a Son of the American Revolution and a member of the American Legion. He is also a 32nd. degree Mason and member of the Shrine.

春青寶
BIOZYGEN
(DRY YEAST PREPARATION)
Treated With Ultra-Violet Rays

Biozygen, a dry Vitamin Yeast of a light yellowish powder, is the richest product in Vitamin B1 and B2 in existence. It contains large quantities of Glutathion, a substance indispensable for keeping the tissues healthy and alive and for destroying those manifold toxic substances that enter into or develop within the body.

Biozygen contains the entire Vitamin B complex. 100gm. of *Biozygen* contain 3000-4000 international units equivalent to 2000-2500 biological units of Vitamin B1 besides 1500 biological units of Vitamin B2. It shows a highly benificial effect in cases of Anemia, Diabetes, Furunclosis, Seborrhoe, being especially helpful to convalescent patients.

Biozygen is furnished without salt and therefore highly appropriate for saltless diets in diseases of the gall bladder, kidneys, heart, stomach, bowels, and in epilepsy. It can be added in small quantities (10g. = ½oz. per day for any person) to soups or vegetables at the beginning of the cooking process. It is important to know that in order to avert the danger of *Biozygen* becoming disagreeable to the taste when taken for any length of time, it is advisable to add it to soups, vegetables, etc. at the beginning of cooking.

Prepared By:
The New Asiatic Chemical Works, Ltd.
1095 Sinza Road, Shanghai, China

Packing: Powder; in bottle of 25gm., 50 gm., 100 gm., and 500 gm. Tablets; in bottle of 50, 100, 200, 300, and 1,000 of 0.25 gm.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of the Review.

October 20

The American people were determined to uphold their long-established rights in China, declared Joseph C. Grew, United States Ambassador, in the course of an extremely frank exposition of the relations between the United States and Japan at a luncheon given by the America-Japan Society in Tokyo. Mr. Grew said, "The New Order in East Asia appeared to include the depriving of Americans of their long-established rights in China and to this the American people are opposed."

One Chinese police constable was killed while a Sikh constable seriously wounded during an attack on a party of Shanghai Municipal Police in the western district of Shanghai by members of the "Ta Tao" police force. G. G. Phillips, S.M.C. Secretary, issued statement branding the incident as a "dastardly attack" on the Shanghai Municipal Police.

"The independence of China and co-existence with other nations are the basic principles of China's foreign policy," declared Foreign Minister Wang Chung-hui in a radio broadcast speech.

Official circles in Chungking denied rumors by the Japanese of the conclusion of a Sino-Soviet Military Alliance and alleged concentrations of Soviet troops in Sinkiang. The rumors said circulated to influence British policy in China.

*
**

October 21

The U.S. Secretary of State, Cordell Hull, announced that the United States will co-operate "in all branches" with the Shanghai Municipal Council in settling incidents such as the armed attack on the Shanghai Municipal Police force in the Shanghai outside road area. Mr. Hull said action to be left to the discretion of the Shanghai Municipal Council. American officials in Shanghai authorized to cooperate with it fully.

Anti-American agitation spreading in North China. Various incidents including an attack on American mission property reported by the United Press.

Admiral K. Nomura, Japanese Foreign Minister, declared that he was seeking to explain the situation in East Asia to the American Ambassador, Joseph C. Grew, Creation of a "New Order" in East Asia said real objective of the China war; Japan to adhere to the anti-Comintern pact, but normal relations to be maintained with the Soviet Union.

Official circles in Chungking welcomed the speech by Ambassador Joseph Grew, which they interpreted as a demonstration of traditional American friendship toward China and the firm American attitude toward her rights and interests in the Far East.

Dr. Quo Tai-chi, Chinese Ambassador at London, denied rumors that Sir Archibald Clark Kerr, the British Ambassador now visiting in Chungking, was suggesting peace terms to the Chinese government.

Col. C. R. Spear, British military attache, who was detained by the Japanese at Kalgan for nearly four months, arrived at Shanghai.

*
**

October 22

Three persons were killed and several others wounded, as Shanghai Municipal Police and members of Wang Ching-wei's "Defence Corps" clashed in the western district of Shanghai. The killed included one Chinese police constable of the S.M.P. and two members of Wang's corps.

Four women and two men were killed, one woman and a child seriously wounded, when unidentified gunmen fired at a wedding party in Shanghai. The shooting, believed of a political nature, occurred during the wedding of Tu Cheng-chang, "director of the publicity section of the Japanese Ta Min Hui" (Great People's Society).

Pravda, organ of the Communist Party in Moscow, denied Japanese reports of alleged Soviet demands on China, including the right to station troops in Inner Mongolia and Sinkiang and to Sovietize China's Northwest. The paper also denied that Gen. Chu Teh, Chinese communist leader, was in Moscow on a mission of Gen. Chiang Kai-shek to seek an alteration in the demands.

Chungkiang official circles denied reports circulated in Shanghai that an undisclosed Japanese go-between, said to be a former friend of Gen. Chiang Kai-shek, was in Chungking to discuss peace. According to the Shanghai reports, the Japanese go-between submitted three terms to Gen. Chiang, 1. Gen. Chiang to retire for three months, 2. China formally to sue for peace, and 3. Chinese forces to cease hosilities. Gen. Chiang was said to have counter-proposed that the Japanese troops be withdrawan from China before the talks on peace were to begin.

*
**

October 23

Chinese forces said converging on Yochow, last Japanese stronghold on the northeastern bank of Tungting Lake.

A statement allegedly issued by Wang Ching-wei, unconditionally placing the blame for the clash yesterday between the Shanghai Municipal Police and members of his defence corps styled "The Chung Kuo Kuomintang Anti-Comintern and Salvation Army" in Shanghai's Western district.

The U. S. State Department officials reiterated that the United States, through its representatives in Shanghai, is co-operating in all branches with the Shanghai Municipal Council to settle incidents such as the attacks on Shanghai Municipal Police in the outside road areas of Shanghai.

Direct negotiations opened between the puppet mayor Fu Siao-en and C. S. Franklin, chairman of the Shanghai Municipal Council, for a settlement of the outside roads dispute.

*
**

October 24

The frank warning given to Japan by Ambassador Joseph Grew on Oct. 20 seen as merely the first step in the stiffening of America's attitude toward Japanese encroachment on American rights and interests in China; warning not even opposed by isolationists in Washington; views expressed believed to be those of President Roosevelt.

Chinese circles in Chungking welcomed the Soviet government's denial of demands on China as alleged in Japanese reports.

SWEETIE PRIZE SWEEPSTAKES

FIRST PRIZE:

One Hundred United States Dollars

TO WIN THIS PRIZE:-

Simply send 10 wrappers of any Sweetie Confectionery to P. O. Box 1101, or exchange these from your nearest shop and receive a Sweetie Prize Sweepstake Ticket.

There are many other valuable prizes.

Hazelwood ALWAYS GOOD

P. O. Box 1101 SHANGHAI

甜心牌糖果搖獎券
頭獎一個
獨得美金壹百圓
上海美商美女牌冰結煉公司
廣東路五十一號

90-455

The Japanese transport ship **Fengyang Maru** shelled and sunk by Chinese mobile artillery on Oct. 14, below Kiukiang, according to report received at Chungking. Two other Japanese vessels shelled and damaged in the vicinity of Wuhu.

*
**

October 25

Categorical denial of peace rumors made by Dr. Chu Chia-hua, Secretary-General of the Central Kuomintang, in press interview at Chungking. Dr. Chu also ridiculed the rumors that the Soviet Government had made any demands on China.

Chinese Foreign Office denied the report circulated by the Japanese that the Chinese Government had ever asked the American Ambassador, Nelson T. Johnson, to mediate in the Sino-Japanese conflict.

Secretary Cordell Hull denied knowledge of American peace move in the Far East as alleged in Japanese reports, which stated that China had made a peace offer to Japan through the American Ambassador Nelson T. Johnson. Washington quarters believed end of war in China not yet in sight, despite Japanese reports to the contrary.

The Shanghai Municipal Council said yielding to the puppet Shanghai City Government headed by Fu Siao-en. Concessions to the puppet regime included in plans now being drafted in connection with the western district outside road problems.

The only way to protect American interests in the Far East is to place an embargo on the sale of war materials to Japan, Gen. Pai Chung-hsi declared to foreign press correspondents visiting the northern Hunan front. Gen. Pai severely criticized French restrictions on Chinese imports through French Indo-China.

Japanese reports stated that China was building a new air fleet, part of which to be manned by Soviet aviators. The number of Chinese military planes at the end of September placed at 340.

*
**

October 26

Szechwan facing new air threat, as Japanese planes reported operating from a new base in Shansi following the recent bombing of the Japanese airdrome at Hankow by Chinese air force. Japanese planes raided (yesterday) numerous cities in Shensi and Hunan.

According to figures released by the Executive Yuan, Chinese administrative machinery remains operative in 97 per cent of counties of the twelve provinces which have become war zones. Of the 1,038 counties in the twelve provinces, the Chinese authorities have withdrawn from only 67.

The Tientsin British Concession authorities handed over (yesterday) to the Japanese seven alleged Chinese terrorists taken into custody during the Japanese raid in the concession on Sept. 28.

Destitute Chinese in Kowloon Needing Aid

Mr. Wang Hsiao-lai, former chairman of the Shanghai Chinese Chamber of Commerce and now a member of the standing committee of the National Refugee Relief Commission of the Chinese National Government in Chungking, has wired local Chinese charitable organizations asking for immediate relief for the thousands of Chinese refugees now destitute and homeless in the British Leased Territory of Kowloon, says a report to the *Sin Wan Pao*. Kowloon experienced a new large influx of refugees when the Japanese invaded Chungshan recently.

Chungking Denies Airmen Dropped Glanders Germs

A charge made by the Japanese military authorities on Nov. 3, in which eight Chinese airplanes were alleged to have scattered glanders germs over areas southeast of Kaifeng, in northeastern Honan, on Oct. 31, was categorically denied by a spokesman of the Military Affairs Commission in Chungking the following day.

Declaring that China possesses no equipment for the manufacture of bacteria bombs, the spokesman said that the Japanese in the past had invariably accused the Chinese of using poison gas when they were planning to use it themselves. In view of their recent military reverses, he added, it was possible that the Japanese were contemplating the use of deadly germs against Chinese forces in the near future.

Glanders is a contagious disease among horses and is often fatal. A *Domei* report from Nanking, reporting the alleged use of glanders germs by Chinese airmen, said that great indignation was aroused among Japanese officers and privates, who have a high regard for their horses.

Hongkong Names 312 German Firms Enemies

Three hundred and twelve German firms, 14 of which are doing business in Japan, have been designated by the Government of Hongkong as enemy undertakings under the terms of the Order in Council of 1912, whereby trading with the enemy is forbidden, *Domei* reported last week.

Far Eastern firms named in the order were: Abacus and Company in Tokyo and Yokohama; the Askonia Kabushiki Kaishi in Tokyo; Bohler Keitei Goshi Kaisha in Tokyo; Dainippon Kali Kabushiki in Tokyo; Dalacamp, Piper and Company in Tokyo; Doitsu Seiko Kabushiki in Tokyo, Osaka, and Dairen; Fokkes and Koch in Tokyo; Illies and Company in Kobe, Osaka, and Yokohama; Leybold Shokwan Kk in Tokyo and Osaka; Schmidt Shoten in Tokyo and Osaka; Scholler Bleckmann Phoenix Seiko Goshi Kaisha in Tokyo and Osaka; Siemens Shuckert Denki Kabushiki in Tokyo and Osaka; the Styrian Steel Works in Tokyo, and Carl Zeiss Kabushiki in Tokyo and Osaka.

交通銀行
上海分行
BANK OF COMMUNICATIONS

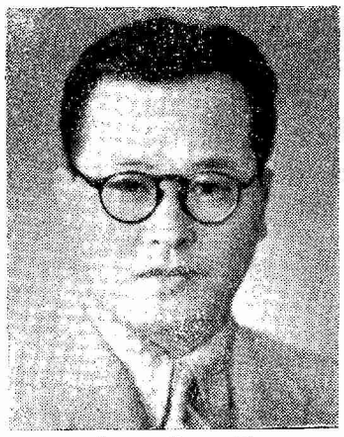
SHANGHAI BRANCH:
889 Avenue Joffre, Shanghai
Telephone 77183-6

With Branches and Sub-branches throughout China and Correspondents in all principal cities of the world. All kinds of Banking business transacted, including Savings and Trust business.

LOCAL SUB-BRANCHES:
438 Nanking Road,
228 Boulevard des deux Republiques,
1708 Bubbling Well Road.

Who's Who in China

Yin C. Fisher Yu, banker; born on June 26, 1899, Meihsien, Kwangtung; graduate, Tsinghua College, Peiping, 1920; B.A. University of Wisconsin, U.S.A., 1922; M.B.A. Graduate School of Business Administration, Harvard University, 1926; with Messrs. J. P. Morgan & Co., New York City, 1923-



余 英 傑

Yin C. Fisher Yu (Yu Yin-chieh)

25; secretary, Department of Finance, Kiangsu Provincial Government, 1927; financial secretary and counsellor, Kwangtung Provincial Government, 1929-31; chairman, Commission for Revising Internal Taxes in Kwangtung, 1931; sub-manager, Head Office, Bank of China, since 1931; author of "The Chinese Eastern Railway, Its Redemption by the Chinese Government and the Financial Involvements" "The Banking Consortium for China," and "The Syndicate Policies of American Banking Institution;" address: Bank of China, Shanghai.

Light Tanks Augment Defenses of Hongkong

Forty-four light tanks, the first of such weapons to make their appearance in the British colony, arrived in Hongkong on Nov. 2 Manufactured by the armament firm of Vickers, and equipped with Bren machine-guns, the tanks were unloaded from a British freighter and driven through the streets of Victoria, where they attracted many onlookers, *United Press* reported. The tanks are intended to augment Hongkong's defenses.

SWAN, CULBERTSON & FRITZ

Investment Bankers and Brokers in Securities and Commodities.

Daily New York and London Stock Exchange Service.

Sassoon House Telephone 11200

Nanking Puppets Ban Chinese Dollar Imports

With the exchange value of the Chinese dollar continuing to advance this week, the puppet "Reformed Government" at Nanking, acting through the Customs administration, has placed a total ban on all importations of Chinese national currency into Shanghai. A notification to this effect was issued on Tuesday of this week by Mr. Li Chien-nan, superintendent of the Shanghai Customs, and circulated to all foreign consulates.

The ban, it was reported locally, followed an abortive attempt by the "Reformed Government" to seize and detain approximately $10,000,000 worth of Chinese banknotes which arrived here on the s.s. President Pierce from Hongkong. This sum, it was understood, had been consigned to a foreign bank here by its branch office in Hongkong.

On Nov. 4, according to a *Domei* report from Nanking, the "Reformed Government" turned over to the puppet Hua Hsing Commercial Bank the management of its treasury affairs in order to "facilitate strict supervision and speed up procedure for collecting revenues and making expenditures." The ban on legitimate Chinese currency importations is believed tied in with this move as part of a scheme to make the note issue of the puppet bank the sole legal tender in this part of the country.

Another *Domei* report, from Tokyo on Nov. 6, said that an exchange agreement was soon to be concluded between the Hua Hsing Commercial Bank and the Federal Reserve Bank (puppet bank of issue in North China) in order to bring about closer economic relations between North and Central China. It was expected, the report said, that the two banks would not establish a direct exchange rate, but would use the Japanese yen or another currency as a medium between the two currencies.

At the bank close on Tuesday of this week, the value of the Chinese national dollar was quoted at $11.05 for U.S.$1 buying, with the selling rate at $11.50, representing a marked improvement as compared with a week previously. Whether and in what manner the exchange rate would be affected by the "Reformed Government's" ban on the national dollar was a subject of speculation in local financial circles.

U.S. Marines Parade To Mark Corps Birthday

A regimental parade and review of the United States Fourth Marines, marking the birthday of the Marine Corps, was scheduled to be held at the Shanghai race course on Nov. 10. Admiral Thomas C. Hart, Commander-in-Chief of the United States Asiatic Fleet, as Reviewing Officer, was to present new colors to the regiment.

The Fourth Regiment, U. S. Marine Corps, was created during the Mexican disturbances in 1914. It was on duty later in Nicaragua and since 1927 has been stationed in Shanghai.

FAMOUS "I.D." PRODUCTS

KOO PUN

Laundry, Toilet and Medical Soaps

"GLOBE" Brand

Glycerine, double distilled,

S.G. 1,260 B.P.

"Calocalc" Nutritious Tonic
"Chilai" Blood-Tonic
"Oling" Disinfecting Fluid
Olinsol (an ideal disinfectant)
"131" Tooth Paste
"ID" Emulsion of Cod Liver Oil
"ID" Cod Liver Oil with Malt Extract

INTERNATIONAL DISPENSARY, LTD.

AND BRANCHES

90-457

Men and Events

John Morris, manager of the *United Press Service* in the Far East, has returned from a trip to Chungking.

*

J. Fistere, manager of the National Aniline and Chemical Company, U. S. A., has returned to Shanghai from a trip to Japan.

*

According to a *Domei* message from Shanghai published in the Tokyo *Asahi* on Nov. 1, "The atmosphere in support of Wang Ching-wei fills the whole land of China."

*

Zee Foh Chong, 43 years old, a sub-accountant at the Shanghai office of the National City Bank of New York, died on Nov. 1 at the Russian Orthodox Hospital. He joined the bank on Feb. 1, 1908 as an office boy and had been a member of the accounting department for 30 years.

*

Dr. Charles J. Mendelsohn, 58, well-known code expert, who was the chief decipherer of German messages for the Military Intelligence Division of the U. S. Army in the World War, died at Mount Sinai Hospital, N. Y. on Sept. 27. The Government had just requested him to return to Washington to resume his duties.

*

Harry T. Brundage, staff writer on the St. Louis *Star-Times*, arrived in Shanghai this week on a tour of the Far East as a guest of the Japanese tourist bureau, government railways, and Culture Bureau of the Foreign Office. He is accompanied by Mrs. Brundage. They are staying at the Cathay Hotel and after a few days here plan to proceed to North China.

*

J. T. S. Reed, manager of the National City Bank at Shanghai, has returned from furlough spent in the United States. H. M. Wilbur of the Hankow branch has been transferred to Shanghai as also has J. E. Aurrell of the Dairen branch. J. B. Starrett, manager of the office of the Bank at Peiping has returned to that city from a trip to Shanghai and central China.

*

Miss Jane Howard, daughter of Roy Howard, general manager of the *Scripps-Howard Newspapers*, was married late in October to Lieut. Albert Perkins, an American naval aviation officer. They were married at Lisbon, Portugal. Miss Howard has frequently visited in Shanghai and two years ago made an air trip to China to interview Madame Chiang Kai-shek.

*

One of the Japanese translation services issued the following notice to its subscribers a few days ago: "Due to the air defense drills at Tokyo the delivery of our service has been seriously handicapped.....when the campaign is over, we hope to be able to resume normally beginning tomorrow." One wonders what the Japanese would do if they ever became involved in a "declared" war!

Dr. George Sellett, former U. S. District Attorney and now a practicing attorney at Shanghai, was expected to depart from San Francisco on Wednesday of this week on the Clipper Plane on his return trip to China. Dr. Sellett has been in the United States for several months.

*

M. Pierre Forthomme, recently appointed Belgian Ambassador to Japan, presented his credentials to the Emperor in Phoenix Hall at the Imperial Palace in Tokyo on Nov. 6. Karl Idman, newly-appointed Finnish Minister to Japan, was also received by Emperor Hirohito on Nov. 6.

*

Nichols Rug Company, leading American industrial concern located for many years at Tientsin, has removed one of its chief plants, together with the Chinese laborers, to Shanghai. W. A. B. Nichols, president of the Company, arrived in Shanghai on Saturday of last week, together with some 80 skilled rug workers and mechanical equipment consisting chiefly of looms. The plant will be established in the Yangtszepoo area. Mr. Nichols stated that Japanese monopolization of native products, chiefly wool, combined with exchange restrictions, had practically made it impossible for his factory to be operated in Tientsin. He said that Japanese military control over native Chinese industries and materials was effective to the extent of about 90 per cent of the total trade.

Major Arthur Bassett, director of the British-American Tobacco Company, has returned to Shanghai from a trip to the United States. While in America, Major Bassett attended the annual convention of the American Legion in Chicago.

*

W. H. Plant, former manager of the office of the United States Steel Products Company at Shanghai, who was transferred to New York last year, has recovered from a serious automobile accident in which he was the victim of the reckless driving of the chauffeur of a taxicab. According to the report Mr. Plant was struck by the taxicab while he was walking along a road and both of his legs were broken. It later became necessary to amputate one leg, but he has since recovered. The accident happened on July 4.

*

Ma Hsiang-pai, noted Chinese scholar and former official, reputed to be 100 years old, died at his native home in Liangshan village on the Kwangsi border, on Saturday, Nov. 4. Hé was born in 1839 and was educated in the classics under the old educational system. He came to Shanghai with his parents at the time of the Taiping Rebellion in the middle of the last century, and studied philosophy and other subjects at St. Ignatius College, Zikawei. He served as foreign secretary under Li Hung-chang and later was envoy to Korea and other countries, including the United States. He was thought to be the oldest living official of the late Manchu Dynasty.

'Miracle Baby' Goes To School in U.S.A.

Helen Priscilla Stam, five years old, who is on her first visit to the United States with her grandparents, the Rev. and Mrs. Charles E. Scott, has been enrolled in a kindergarten at Princeton, N. J. Helen Priscilla, daughter of the late Mr. and Mrs. John Stam, who were beheaded by

"Miracle Baby"

Helen Priscilla Stam, "miracle baby," and her grandfather, the Rev. Charles E. Scott, of the Presbyterian Mission at Tsinan, Shantung.

Communist bandits in southern Anhwei province, has been known as the "miracle baby" since her miraculous escape from the bandits who beheaded her parents.

The Rev. and Mrs. Scott, who departed from China several months ago, plan to spend another year in the United States. They have lived in China for 33 years, chiefly in Shantung province.

The Rev. John C. Stam came to China from Princeton University in 1933. While in school he met Elizabeth Scott and after their marriage they returned to China to engage in missionary work. They joined the China Inland Mission and were assigned to southern Anhwei, south of the Yangtsze, where their daughter, Helen Priscilla, was born.

According to a *United Press* message from Wuhu, dated Dec. 16, 1934, a gang of red troops which had escaped from the cordon which Gen. Chiang Kai-shek had thrown about their headquarters in southern Kiangsi, had fled into southern Anhwei and had announced a campaign of "death to all foreigners" in retaliation for Gen. Chiang's use of foreign planes in bombing the Communist base near Shuikin, in the mountains of southeastern Kiangsi. The proclamation was issued on Dec. 8, hence the Stams were the first victims. The red band numbered about 3,000 and was led by Lo Bing-hui and Fang Chih-ming (*Shanghai Evening Post*, Dec. 15). The band was defeated by Gen. Liu Chen-huan, chairman of the province, near the town of Tunki on the Nanking-Nanchang motor road.

The Stam family was seized at the town of Tsingteh and immediately the leaders of the gang announced that no ransom would be accepted as their intentions were to kill all foreigners as a means of involving Gen. Chiang with the foreign powers. According to the report, the Communist force was largely made up of 16 and 17-year-olds who had been taught red doctrines.

As Mr. and Mrs. Stam were being led to a hill where the execution was staged, Mrs. Stam hastily wrapped the three-months' old Helen Priscilla in a piece of cloth and tossed her into a peasant hut. A Chinese Christian pastor, Rev. Lo, rescued the child, which had a hastily scribbled note and a $10 bill pinned to its little dress. The bandits searched for the baby, apparently intending to also behead it, but Rev. Lo defied them and succeeded in smuggling the child out to the river at Wuhu by concealing it in a basket of vegetables.

Willys R. Peck, Consul-General at Nanking, and Douglas Jenkins, Jr., went to Wuhu and accepted custody of the child and also superintended the burial of the bodies of Rev. and Mrs. Stam. The baby was cared for at Wuhu by Mr. and Mrs. Nathan E. Walton of the China Inland Mission, pending the arrival there of the grandparents.

*

Major-General F. S. G. Piggott, former British Military Attache in Japan, accompanied by Mrs. Piggott, sailed from Yokohama for the United States, en route to England, on Nov. 6. Major-General Piggott was born in Japan and is an accomplished Japanese linguist. He had resided in Japan on various occasions over a period of practically 50 years. In an interview in the Japanese papers, he said that he "would try to make Britain understand Japan."

*

Yoshisuke Ayukawa, president of the Manchurian Industrial Development Corporation, popularly known as the "Manchurian Kruger," has decided to postpone his trip to the United States "for certain reasons," according to a report in the *Yomiuri Shunbun*, Oct. 31. Mr. Ayukawa, according to reports in the Japanese newspapers, had planned an extensive trip in the United States with the object of borrowing money and obtaining credits in order to finance the Manchurian "five year plan," which the Kwantung Army was interested in as a war measure against Russia. He had planned to sail on Nov. 2.

1940 ZENITH
VALUE
WITH THE WAVEMAGNET
NO AERIAL
NO GROUND
MODEL 6D410—Small in size . . . giant in performance . . . powerful superheterodyne circuit. . . . Wavemagnet equipped . . . needs no aerial—no ground. Rich, full-toned speaker . . . completely enclosed cabinet finished in brown plastic. AC or DC.
Sh.$195.00
IF IT HASN'T A WAVEMAGNET . . . IT ISN'T A ZENITH
Sole Agents:
SCIENTIFIC SERVICE COMPANY
Shanghai - Hongkong - Singapore

90-459

PAINTS AND PAINT WORK

Everything the best

H. B. CAMPBELL

1481 Bubbling Well Road

Phone : 34360

Subscribe to

THE CHINA WEEKLY REVIEW

$22.00 per year

NEW MAP OF CHINA

41 by 28½ Inches.
With Place Names in English and Chinese.

Comprehensive — Authoritative — Useful as Guide to Areas Where Fighting is in Progress or Threatened.

Shows in Entirety the Chinese Republic and the Japanese Empire.

Ten Small Maps Attached:— Showing Islands at the Mouth of Pearl River and in the South China Sea including Hainan Island, the Paracel Islands, Pratas Island and other Groups; Rivers and Lakes in Wuhan Area and along the Kiangsu-Chekiang Border; Peiping-Tientsin Area; Canton and its Vicinity; Nanking and Chungking.

The Jih-Sin Geographical Institute, Publishers.

Price $1.60 in China.

Price U.S.$1.00 Abroad.

Send Postal Money Order or Check to

THE
CHINA WEEKLY REVIEW

160 Ave. Edward VII, Shanghai.

Randall Gould, editor of *The Shanghai Evening Post*, and correspondent for *Christian Science Moniter*, returned to Shanghai this week, with Mrs. Gould, from a trip to Japan.

*

Dr. Dana W. Nance, member of the medical firm of Jackson, Dunn and Partners, has returned from a trip to the United States. He was accompanied by Mrs. Nance.

*

Mr. and Mrs. R. E. O'Bolger and their two cridren have returned to Shanghai from a trip to the United States. Mr. O'Bolger is manager in China for the Eastman Kodak Company.

*

John M. Allison, American Consul at Osaka, is visiting in Shanghai. He is accompanied by Mrs. Allison. Mr. Allison was formerly in charge of the American Embassy at Nanking.

*

Dr. L. H. Roots, son of Bishop Roots, formerly stationed at Hankow, departed this week for Anking, Anhwei province, where he will have charge of the St. James Hospital. Dr. Roots recently returned to China from a trip to the United States.

*

Major G. A. Herbert, British Superintending Consul at Tientsin, will shortly be appointed Consul at Chefoo, according to a recent *Domei* report from Tientsin. J. P. Coghill, Consul at Chefoo, will be transferred to Tientsin, according to the report.

*

Dr. Fanny G. Halpern, specialist in Psychiatry, has returned to Shanghai from a trip to the United States, Canada and Great Britain. Dr. Halpern visited, while on her trip, leading hospitals and centers devoted to study and treatment of psychiatry and neurology, and observed latest developments in these subjects. She has been connected for several years with the National Medical College and Red Cross and other medical institutions in Shanghai.

A Woman's Secret.

A woman can keep the secret of her age only so long as she is able to ward off the effects of advancing years.

How can this best be done in these days of stress, when great demands are made upon the nervous system? The essential thing is to maintain a plentiful supply of rich, pure blood to nourish the nerves and vitalise the whole system.

Charming natural colour and soft clear skin are dependent upon the blood, and looks which have been lost through impoverished blood can be regained by taking the proper remedy.

There is nothing better for the purpose than Dr. Williams' Pink Pills.

Put yourself on a thirty-day treatment. As soon as you begin taking Dr. Williams' Pink Pills the reconstructive process will start. The blood will grow richer, will carry more vitality. Old aches and off-days will give way to new vigour and a brighter outlook on life.

Dr. Williams' Pink Pills are equally beneficial to men and women of all ages who are suffering from one or other of the many consequences of impoverished blood. Obtainable at all chemists.

In the United States Court for China

IN RE. ESTATE OF ALICE MARTHA HOUSTON Deceased.

Cause No. 4437
Special Proceedings No. 2316
NOTICE
Filed at Shanghai, China,
Oct. 12, 1939
WILLIAM T. COLLINS
Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the Estate of Alice Martha Houston, deceased, to present the same with vouchers to the undersigned on or before 15th day of April, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RODGER & WIENER,
Attorneys for
(Mrs.) JEANNE P. VAN HENGEL,
Administratrix of the Estate of Alice Martha Houston, deceased.
Y.W.C.A., International Branch,
999 Bubbling Well Road,
Shanghai.

In the United States Court for China

In re. LAST WILL AND TESTAMENT of WIRT SMALLEY LEONARD, Deceased.

Cause No. 4438
Special Proceedings No. 2317
NOTICE
Filed at Shanghai, China,
Oct. 13th, 1939.
WILLIAM T. COLLINS
Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Wirt Smalley Leonard, deceased, to present the same with vouchers to the undersigned on or before April 20, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

JEANNE LEONARD,
Clements Apartments,
1363 Rue Lafayette,
Shanghai, China.

Shanghai, China.
Dated October 13, 1939.

New Books of Interest in the Far East

Marx 'Refuted' Again

CAPITALISM VERSUS SOCIALISM AND COMMUNISM — By Leroy E. Hollenbeck. Boston, Christopher Publishing House, 1939. 154 pages. Price U.S.$1.75.

The purpose of this small work is to convince the reader of the fallacies and absurdities of socialism and communism, and the author asserts that he has developed a new line of argument and advanced new reasons which will survive adverse criticism. Capitalism is to be regarded as good and natural, and not to be criticized because of abuses which may have developed under it. Marx and many others have been misled by the belief that capitalism is essentially modern, being the successor to the society of feudalism, just as the latter in turn succeeded that of slavery. In reality, capitalism, which the author defines as rents, interest, profits, has been a fundamental process of economics and government for all time. We should not fight against it, we cannot abolish it (since it is a form of natural law), but we can try to correct the abuses of capitalism. Opponents like Marx have erred in criticizing capitalism, when they were really objecting to some of the abuses which have been allowed to develop.

Though the American socialist and the Russian Communist are unalike insofar as they advocate different methods, their ultimate objectives are the same. Mr. Hollenbeck, therefore, attempts to discredit both of them at the same time by attacking Marxian socialism. The major part of his effort is devoted to exposing the fallacy of Marx' theory of Surplus Value, which is the "basis of communism and all socialist parties." He arrives at the general conclusion that socialism and communism are unsound and untenable because (1) they are based on the mistaken Surplus Value theory, (2) capitalism is a form of natural law which has existed for all time and therefore cannot be overthrown, and (3) democracy and especially the American constitution cannot be reconciled with communism, which means the dictatorship of a single political party.

On the whole, this book, despite the author's hopes, does not appear to be very convincing nor add anything new of importance to the arguments against communism. The shortcomings of the Surplus Value theory have been known for a long time. Mr. Hollenbeck, though he quotes frequently from *Das Kapital*, appears to have rather a superficial appreciation of Marxism outside this particular topic.

B. D. C.

Juvenile Diary

OUR FAMILY—By Adet and Anor Lin, with foreword and comments by Meimei. Introduction by Pearl S. Buck. Published by The John Day Company, New York.

The three daughters of Lin Yutang, Adet aged 16, Anor 13 and Meimei 8, have written a most entertaining diary of their life in America and Europe. The book has been published as they wrote it and is filled with the observations of three unusual children.

You chuckle over "father's" love for roast beef and Anor's note that he is "very fond of taking a bath as his exercise." You laugh at "mother's" fear of getting FAT and Meimei's remark that "Mamma loves her pointed nose."

Their comments on New York, American children, schools, maids, London, Paris, Italy are all refreshingly original.

Many stories told them by their old nurse, Wangma, are repeated, several summer vacations in China are recalled by Adet, Anor writes on what she feels about the war and the diary ends with all longing and looking forward to the return home to China and things Chinese. *Our Family* by the Lin children is a book not to be missed.

M. M. B.

The Madras Conference

The WORLD MISSION OF THE CHURCH *—Findings and Recommendations of the International Missionary Council. Tambaram, Madras, India, December 12 to 29, 1938. N.Y., International Missionary Council, 1939. 173 pages, index. Paper, U.S. 50 cents; cloth, U.S.$1.00.*

The world meeting of the International Missionary Council which was held last winter in India brought together 471 persons from 69 different countries and territories. This meeting had been planned for Hangchow but the outbreak of the Sino-Japanese war made it impossible to hold an international meeting in China. The International Missionary Council is the direct outgrowth of the World Missionary Conference held at Edinburgh in 1910, a gathering from which much of the modern growth of interdenominational and international cooperation takes its rise.

This report shows the emphasis which was placed upon the upbuilding of the "younger churches" as part of the historic universal Christian community. The members of the conference were divided into sections. Their sectional reports and recommendations contained in this publication were adopted by the Council for the consideration of the National Christian Councils, missionary conferences, churches and missions.

Five main divisions form the report: the Faith by which the Church lives; Witness; the life and work of the Church; the environment of the Church; cooperation and unity. The fourth subject, the environment of the Church, brings Christianity face to face with the pressing problems of contemporary life. In this section is discussed the relation of the Church to the present social and economic order, its relation to the international order and the state. The reports from these groups merit particular study.

In addition to the sectional reports,

In the United States Court for China

In re Estate of LOUIS T. KENAKE, Deceased.	Cause No. 4440 Special Proceedings No. 2319 ORDER Filed at Shanghai, China, October 25, 1939. WILLIAM T. COLLINS Clerk.

ORDER

On petition of the administrator ad colligendum herein,

IT IS ORDERED

That hearing and proof for the admission to probate of the Last Will and Testament of Louis T. Kenake, deceased, dated May 14, 1937, be had before this Court on the 22nd day of December, 1939, at the hour of 10 a.m.

IT IS FURTHER ORDERED

That notice of said hearing be published according to law and that copies of this order be sent by registered mail to next of kin which are known to the administrator ad colligendum.

MILTON J. HELMICK
Judge.

In the United States Court for China

In re. ESTATE of LOUIS T. KENAKE, Deceased	Cause No. 4440 Special Proceedings No. 2319 NOTICE Filed at Shanghai, China, October 23, 1939. WILLLIAM T. COLLINS Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of LOUIS T. KENAKE, deceased, to present the same with vouchers to the undersigned on or before April 28, 1940, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Nelson E. Lurton,
Administrator,
330 Szechuen Road,
Shanghai, China.

Shanghai, China.
October 23, 1939.

there are included reports of special groups, such as those discussing particular problems in Africa, Latin America, the Pacific basin, Muslim lands. An interesting minority statement by some members of the Conference, presented by the chairman of the German delegation, gives points of departure from certain sectional reports.

The list of thirty-nine members from China shows a wide distribution in locality and activity, and is indicative of the excellent personnel of the Conference.

F. M. R.

Kuangson Young Speeches Issued in Booklet Form

The Manila Office of the *Chekai News Agency* has published a pamphlet of speeches by Dr. Kuangson Young, Chinese Consul-General in the Philippine capital. Among them are "The Sino-Japanese Undeclared War and the Philippines," "The Chinese in The Philippines" and "Clouds Over Europe." An article entitled "Role of Chinese in the Development of the Philippine Islands" by Alfonso Z. Sycip, president of the Chinese Chamber of Commerce in Manila, is also included in the publication.

Year Book of Chinese Daily in Manila Appears

The 1939-1940 Year Book of *The Fookien Times*, leading Chinese-language daily in Manila, contains a wealth of information on wartime China, profusely illustrated with photographs.

The publication consists of two main sections in Chinese and English, respectively, with a separate section devoted exclusively to pictures of Chinese leaders and war scenes in China.

Articles in the English section include the writings of Madame Sun Yat-sen; Madame Chiang Kai-shek; Dr. C. Kuangson Young, Chinese Consul-General at Manila; Edgar Snow, noted writer on Far Eastern subjects; Roy C. Bennett, editor of the *Manila Bulletin;* Corneli Balmaceda, director of commerce, and three speeches by Gen. Chiang Kai-shek.

The Chinese section features articles by Dr. H. H. Kung, president of the Executive Yuan; Dr. Sun Fo, president of the Legislative Yuan; Gens. Feng Yu-hsiang and Li Tsung-jen, and several other Chinese leaders.

Shanghai Filatures Breach Nippon Cocoon Monopoly

Suggestive of a sizeable breach in the attempted Japanese monopoly of the silk cocoon business in Kiangsu and Chekiang provinces, it was reported late last week that the numerous local Chinese silk filatures located mostly in Shanghai's western district, forced to close because they had no cocoons to work on, may resume operations shortly, having been granted permission by the provincial authorities in Chekiang to collect cocoons in districts still under Chinese control.

Many bags of cocoons now detained in east Chekiang were said to have been allowed to be transported to Shanghai. Silk filatures here also have sent representatives to Ningpo to buy more cocoons on which the resumption of business will depend.

Merchants here have found it difficult to obtain cocoons in occupied districts because of the monopoly control effected by the Central China Silk Company, a Japanese-controlled business. There are about 50 Chinese filatures here.

Do You Make A Good Impression?

The first impression you make on people is through your general appearance. If you are easy to look at your 'face value' is increased immediately. But if your complexion is muddy and pimply, your eye dull, your expression unhappy, the estimate of you is lowered.

Skin blemishes are usually caused by constipation and liver sluggishness. If you wish to have a clear skin, bright eyes, pure breath, a cheery, confidence-inspiring personality, you should keep your digestive system clean and active by an occasional dose of Pinkettes.

This splendid laxative not only makes you look better but makes you feel better in every way. You'll be surprised what a difference Pinkettes make. Try them and see. Of all chemists.

90-462

CHRISTMAS CARDS

An original design in Christmas Cards is something that has been sought for every year. We have had the opportunity to solve this problem for you, at a surprisingly low price.

.50 cent each
$5.00 per dozen

A LIMITED NUMBER IS STILL AVAILABLE

OBTAINABLE ONLY FROM

THE CHINA JOURNAL PUBLISHING CO., LTD.

117 Hongkong Road - - - - - - - - - Tel. 13247